Daily Report

Latin America

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FBIS-LAT-91-243 *18 December 1991*

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Mercosur Presidents Open Summit in Brasilia

PY1712141291 Buenos Aires TELAM in Spanish 1320 GMT 17 Dec 91

[By special TELAM correspondent]

[Text] Brasilia, 17 Dec (TELAM)—The presidential summit of Mercosur [Common Market of the South] countries, which are approaching a regional integration as of 31 December 1994, opened this morning in Brasilia amidst great expectations.

Argentine President Carlos Menem, Uruguayan President Luis Alberto Lacalle, and Paraguayan President Andres Rodriguez were welcomed by their colleague Fernando Collor de Mello at the ramp of the Planalto Palace, the local government house.

The "Independence Dragoon" guard had previously honored the visiting presidents.

The chiefs of state are meeting to discuss the Mercosur process, obstacles to regional integration, ties with the EEC, and an IDB [Inter-American Development Bank] credit for regional trade.

The Mercosur work group, which is divided into ten subgroups, continued today to study different sanctions to be applied against those companies that violate the Mercosur treaty. They discussed the establishment of an arbitration court to resolve disputes.

At 1035 the ministers from the different member countries joined the presidential meeting that was being held on the second floor of the Planalto Palace. The negotiations will continue until noon when President Collor de Mello will host a lunch for his guests.

Some agreements will be signed at 1530 and Carlos Menem is scheduled to leave for Buenos Aires at about 1600.

Communique Reviews Decisions

PY1812010491 Buenos Aires TELAM in Spanish 2330 GMT 17 Dec 91

[Report by unidentified correspondent from Brasilia]

[Text] Brasilia, 17 Dec (TELAM)—The presidents of Argentina, Brazil, Paraguay, and Uruguay have met in Brasilia and ratified their decision to implement "all the necessary measures to achieve, within the set deadlines, the goals established in the Asuncion Treaty."

A communique released at the end of the summit reported that Carlos Menem, Fernando Collor de Mello, Andres Rodriguez, and Luis Lacalle—the presidents of the Common Market of the South [Mercosur] member countries—signed a protocol establishing procedures to solve controversial issues.

The presidents also promised to take, "as soon as possible, the necessary steps" to ratify this protocol and ensure its swift implementation.

They also expressed their certainty that to improve the standard of living of their peoples, certain priorities such as economic stability and opening must be met in order to "achieve competitiveness," and modernization through the deregulation and privatization processes.

The presidents agreed "to advance the deregulation of transportation among the Mercosur countries to substantially reduce the costs and stimulate the private [words indistinct]."

They also agreed to "give top priority to obtaining technical know-how to ensure the quality of their products and make them internationally competitive, thus facilitating the expansion of trade among the Mercosur member countries."

They emphasized "that the four countries must share similar positions and present similar proposals regarding environmental issues to the UN Conference on Environment and Development to be held in Rio de Janeiro in 1992."

They also agreed to analyze the possibile ways of establishing ties with the other Latin American countries that are members of the ALADI [Latin American Integration Association] and of the EC.

The four presidents pointed out the important role the Inter-American Development Bank "can play in cooperating technically and in financing" the integration projects.

Concluding, Presidents Andres Rodriguez and Luis Lacalle congratulated their Argentine and Brazilian counterparts for having signed in Vienna an agreement on nuclear safety with the International Atomic Energy Agency, for the control of the peaceful use of nuclear energy.

Cuba

Fidel Castro Speaks at Hotel Opening 14 Dec

FL1712195591 Havana Tele Rebelde Network in Spanish 0130 GMT 17 Dec 91

[Speech by President Fidel Castro at the opening ceremony of the Melia-Varadero Hotel in Havana on 14 December—recorded]

[Text] Distinguished guests and construction and hotel services workers: This is indeed a good way to organize programs. They told me that everything was well organized. I asked who would be talking at this event and they told me that Martinon and Escare [not further identified] were going to give speeches. I was waiting to hear what they were going to say [chuckles] so that I could boost their speeches with my words because they had invited me to say a few words. I have a reputation for giving rather long speeches but I will try to be as brief as possible with this one because I know that I still have to go through a news conference, other events in the program, and some other surprises that I do not even know about yet.

Not long ago we inaugurated the first hotel, the Sol Palmeras Hotel. This is when we started our joint activities with foreign firms or with other countries. The word foreign has a negative connotation. Here we have really worked as a family. We had to see how the first hotel worked. It really passed the test as it has been working for more than a year and the information we have is very good. The hotel has had an 81 percent occupancy rate all year. This is considered a very high rate as it was its first year of operation. Mr. Escare was telling me they had also had a high rate of tourists who returned to the hotel. I believe he said a rate of 30 percent of the Canadian tourists returned. Is that what you said? [unidentified person gives him indistinct answer] This is considered high for a hotel that has just been opened.

Our country did not have much experience in hotel management. Let us add: We did not have any experience in the field of tourism. The experience we had was very outdated and underdeveloped. We had been isolated for many years. We really did not have much experience in preparing hotel projects. It was a field that was truly new to us. So it was important to know how this venture would fare. This was a venture in which our foreign partners were investing capital and giving their technology, their experience, and most of the customers.

The Sol Palmeras was the first of a group of hotels that was to be built in this area. When we inaugurated the Sol Palmeras, this one was just starting to be built. I recall we toured the area and saw this gigantic hotel under construction. It was shaped like a staircase and we could not imagine how it would turn out. However, it was very important for us to know how the first hotel operated. The information we have is that the hotel operated very well; its work was excellent. This information is based on percentages as well as on the work done by our compatriots; the work done by Cubans under the guidance of the Spanish administration. Thus, now we can show this first hotel as an example of harmony. Any person could ask: How does it work? How does a joint venture work? How will the union, the party, how will youth work? I am sure some of the guests from Baleares, the Canary Islands, and other countries are asking this question. This is a really new experience. How could we get everyone to agree? In reality, the experience has been extraordinary.
ave shown a great deal of discipline; there is great harmony between the workers and the administration; great coordination among the party, the Union of Young Communists, the trade union, and the administration. We can say that, starting with the Sol Palmeras Hotel example, to which there is no precedent, I believe no other jobsite has worked with the cooperation this hotel received. The Sol Palmeras Hotel competes with other Cuban hotels. Our workers work on the premise that the hotel's optimum efficiency is good for the country, good for investment partners, and is very good for our country [sentence as heard]. That is why the workers have done their very best to attain the success reached during this first year, which is a prediction of future success. I must also mention that the other outstanding sector has been the construction workers. The workers explained here how many rooms they had completed this year, the average production per man, and what steps had been taken to save construction materials while building these hotels. I asked the worker who spoke here how many buildings they had completed in Varadero this year. He replied 14. Their goal is to build 3,000 rooms in the Varadero area each year. They are already approaching 2,000 rooms. Everything will depend not only on the worker's goodwill, but on available resources.

These tourist projects receive top priority in our development programs and, even though we are in what we call the special period, we have not lacked human or material resources to build these hotels. No doubt this hotel we are opening today is the most famous—the Melia-Varadero. Mr. Escare will say that this is the first five-star hotel built in Cuba to be opened. I remember when I asked how many stars the Punta Arenas Hotel had I was told five stars. Thus a dispute has begun on which hotel was the first five-star hotel. In Santiago de Cuba a five-star hotel was built that was completed a few weeks back, about October. Logically, Mr. Escare defended the Melia hotel. He said: I want you to look it over and give me your impressions. The hotel has this and that feature. Competition starts again to see which hotels have the greatest number of stars.

Anyway, we can say this is the largest hotel completed, and it is among the first three five-star hotels. I believe stardom—general or field marshall stars—will need to be won during actual work conditions. In this regard, I believe our workers in other hotels will have to make a great effort to equal the Melia-Varadero. After a year's work we have accumulated plenty of experience; we have

had the opportunity to learn hotel administration, control of hotel resources, and hotel organization.

I must tell my countrymen that, despite the economic advantages these joint ventures represent, there is also the enormous benefit of the experience we gain in managing our own hotels. When we inaugurated Sol Palmeras, there already was a marked difference in the number of workers per room between the Sol Palmeras Hotel and the Hotel Paradiso.

The Punta Arenas Hotel and the Paradiso Hotel complement each other as they share some installations. The two hotels have some common installations, therefore, the number of workers per room has been reduced.

We Cubans have much to learn about the quality of services, hotel organization, administration, and cost reduction. I believe we would not learned as much without the privilege of gaining knowledge from the international experience, from the experience of being part of this Spanish hotel chain. This hotel chain operates in several countries. We were lacking that international experience. After analyzing the costs and the quality of services of each one of our hotels, we compare that information with the Sol Palmeras. Our hotels have been improving rapidly, even though we know—as I previously said—that we still have a long way to go. One year after the first hotel started operating as a joint venture, the advantages of this operation are clear. That is a four star hotel, right? How do you get these ratings? These ratings are not guaranteed.

I was very glad to see this hotel completed, although the gardens have not been completed. The trees have to grow, the plants on the balconies have to grow. I have no doubt we will see something different in five or six months.

The hotel facilities will be more beautiful when the green areas have fully grown, by the time the hotel is fully operational.

We made a quick tour of the facilities, dining areas, entertainment centers, convention center, bars, and special restaurants. Mr. Escare seemed very enthusiastic and optimistic. He said that this hotel can be considered as one of the elite hotels in the Caribbean area. He also said that we had the opportunity to do a very good job, noting that mistakes on capacity, architecture, environment, and area characteristics have been made in other countries when building tourist facilities. I believe that those are very important aspects.

During my tour I also visited other hotels, including the Super Club, the Tuxpan, the Gaviota Tres, and the old Cactus. Well, the old Cactus is now the Super Club. I asked the administrator of the Super Club—an English-speaking person, I do not know his nationality—if he could please tell me what is the Super Club. He told me the characteristics of the Super Club and the services it offers, which I will not try to explain here. We made one of our first architectural mistakes in the area where the Super Club is located. Not environmental, but architectural.

I remember quite well the first time I visited that place. There was a prevailing concept; I do not know how or where it came from. The concept was that the present tendency is to use a minimum of area for the rooms, and a maximum area for entertainment and other areas. This was based on the belief that the tourist spends most of his time outside, and would not be in his room, so he needed other areas. Now, when I visit the Super Club, I find that the old cabins have been remodeled. Now the rooms are big and the entertainment areas are smaller. Of course, it has balconies, a view, and all that and is very pretty. The concept, however, is completely the opposite.

We have to discover the name of the philosopher who thought to do this, and the origin of the theory by virtue of which we are now doing everything opposite in the name of an idea that has turned out to be successful. In that hotel, we made one of our first architectural errors. This has now been corrected. Now the administrators of the Super Club, who have experience in this, tell me the renovations turned out to be excellent.

We have also learned other things. I should say we are building hotels, not just in Varadero, but all over the island, some as joint enterprises and others as state-owned hotels. We still have a lot to learn about how those with experience acquire the materials to build these hotels. There is one index to which I pay a lot of attention; how much hard currency we spend per room and the price and quality of the products that are purchased to build these hotels—an area in which others also have more experience than we do. They know more than we do, and they obtain better prices without sacrificing the quality of the products or the quality of the hotel. That is an index we should take more into account in our hotels, which have been costing more in hard currency per room. This is another area in which international experience, the experience of businessmen who have been accumulating knowledge of these matters throughout the world for a long time, can be extraordinarily useful to us.

We also have much to learn in the area of planning. With the great number of engineers and architects we have, we must develop the capacity for a greater volume of plans, because at times some of our projects have been delayed by the plans.

We propose to develop tourism by using foreign experience, especially the bad experiences, not only the good ones. Not just the good experiences, but also the bad ones—especially in this area, the matter of the conservation of natural resources, beach conservation. We know of many places in Europe where beaches have been destroyed because buildings were constructed almost in the sea, thereby considerably harming the environment. It is true that because we have great virgin resources in

tourism, we can do things properly from the beginning. A room can be fixed. A hotel can be remodeled and rebuilt, but a complete development done improperly, a complete development that neglects the environment, that destroys natural resources, causes an irreversible problem.

We have been thinking a great deal about all this, and about truly knowing what vacationers want. For example, we have learned that people do not want skyscrapers for hotels, because they become a cage.

We are learning about density—the number of rooms per hectare. It is better to have fewer rooms per hectare. It leads to a friendlier atmosphere—much more human—than to overbuild and have places that are not conducive to rest. We insist on this concept for the development of the new beaches. The causeways connect hundreds of kilometers of beaches with firm land. To the south of Santiago de Cuba there is a road nearly 200 km long. There are enormous possibilities to use the natural resources between the mountains and the sea in the Sierra Maestra. We are determined to exercise a tourist development policy that we will not regret due to planning errors.

I hope all the personnel for this hotel is ready. Mr. Escare told me that the last time he was here, he did not think this hotel would be ready by 14 December. Something similar happened to us with the Pan-American Games. [chuckles] Some people said we were not going to be ready in time for the Pan-American Games, but the installations were ready. We must say that a great deal of manpower was used. Not only did Brigade Seven work, but forces from other brigades worked as well. Giron Heroes took part in the hotel's construction. We must say that reinforcements from other provinces were used, including Santiago de Cuba, after they finished the Santiago Hotel and other work. Reinforcement labor was used to finish this work in Varadero; this hotel. Mr. Escare told me this with admiration. He considers it a feat that you were able to keep your word and finish the hotel on this date. [applause]

We congratulate Brigade Seven's construction workers, we congratulate all Varadero workers, we congratulate the Caribbean Construction Enterprises Union workers for their efforts, and for finishing the work in the agreed time. The hotel was built in a relatively short time. The hotel took less than three years to build, but I believe we should be capable of building it in less time.

Let us see if the next hotel of this size or complexity can be built in 30, 25, 24, or 20 months. We have to learn how to do it. It is necessary that investments made here produce immediately, is it not true? We should feel satisfied because it took a relatively short time to build a high-quality hotel. We must not forget for a second that the quality is very good. Even though we should feel pleased for what we have accomplished, we must try to build a hotel of this size in a shorter time.

It has been a pleasure and an honor for us to participate in the inauguration of this magnificent work. We will now have a new school where we can learn. I believe the Sol Palmeras and the Melia-Varadero Hotels will compete against each other to provide the best service and to achieve the highest ratings. We will be studying everything to determine what happens with the Paradiso Hotel, the Punta Arenas Hotel, and with this complex. We will be using your experience.

Actually, even though such a short time has gone by, I can say we feel proud of the association we have created. We feel proud of the experience and the great seriousness with which we have worked. We feel very pleased with our success. We feel very pleased with the excellent relations between the management and workers of these hotels. We are pleased with the harmony and the cooperation that existed. We are pleased with the learning experience and I believe we can cite this mixed enterprise as an example of cooperation and success.

If this success can be extended throughout the country in the field of tourism, I am convinced that we will have a great future. That is why I congratulate you all and we congratulate ourselves.

The worker who spoke before me has already said the revolutionary slogans, and we did not really come to this hotel to talk politics [chuckles], and we have guests here from the Canary Islands, from the Balearic Islands, Europe, and from all over. This is a mixed event in which everyone is aware of our willingness to defend our country and ideas. Some of those present are not familiar with these slogans being used in the inauguration of a hotel; that is why I will limit myself to say that we are going to continue to be firm and work with greater determination and enthusiasm. We are going to give a boost to this mixed enterprise. I am not going to say our famous slogan. [laughter] I am simply going to limit myself by thanking you all. [applause]

Castro on Need To Use Inventions for Export

FL1712144391 Havana Radio Rebelde Network in Spanish 0000 GMT 17 Dec 91

[Report by Lucy Gispert on the "Exclusive" program]

[Text] Commander in Chief Fidel Castro has stated that we must be very practical about taking advantage of our experiences. He said this while speaking to the Sixth National Spare Parts, Equipment, and Advanced Technologies Forum, which has been in progress at the Palace of Conventions since 14 December.

[Begin recording] [Castro] We are inventing things in industrial quantities. What kind of national benefit can we derive from this effort? We have patented the multiple plow in various places. Of course, [words indistinct] a patent there and we have little chance to protest. If the United States copies one of our achievements, to whom

are we going to protest? Or in other places, there is only minimal protection of patents, and developing countries copy patents also.

We must think what advantages we can achieve in exports. We must search for solutions, not only to national problems. In the past, we almost always worked only on national problems, but we must work on all this in order to export, and see what kind of innovations, solutions, inventions, or whatever, we can export.

What agreements have you reached or what agreement did you reach in Spain concerning the multiple plow? The multiple plow is an innovation that is going to revolutionize the way soil is prepared. What agreements did we reach?

[Unidentified delegate] Well, we are already designing and building four essential prototypes for Spain, to their specifications. We are already ....
[Castro, interrupting] What are they paying us?
[Delegate] Half of the profits.
[Castro] What are they paying us?
[Delegate] Fifty percent of the earnings.
[Castro] Do we have a partnership there?
[Delegate] Exactly.
[Castro] With our multiple plow. We could say that there is another invention of ours that has not been exported, which is Copelia ice cream. It cannot be equalled anywhere. We are considering a joint enterprise to produce this ice cream there, in Asturias. Copelia ice cream is an example. It is an example [repeats]. But how many of these things are there? Maybe we can export magnetizers. Maybe we can sell to the Latin Americans many of the materials so they can make magnetizers. We have begun to sell magnetizers throughout Latin America. Those magnetizers, what do you call them?
[Delegate] Permanent magnetizers.
[Castro] Permanent, from diverse materials such as nickel. We are making creations. We must not think just about the solutions to our problems but how these creations can serve to generate earnings outside of the country. [end recording]

In a different part of his comments, the commander in chief stated that we cannot disclose to the world all our knowledge, as we have done up to now.

Castro Speech Closes Spare Parts Forum 16 Dec

FL1712145391 Havana Tele Rebelde Network in Spanish 1200 GMT 17 Dec 91

[Excerpt] Commander in Chief Fidel Castro closed last night the Sixth Spare Parts, Equipment, and Advanced Technologies Forum which was held for three days in the Convention Center.

[Begin recording] [Castro] My dear comrades, the simple fact that in only one year there have been more than 34,000 proposals, and more than 40,000 solutions presented to this forum, gives an idea of the strength and importance of this movement. [end recording]

Fidel also presented the awards for the best proposals presented at the forum. Several men and women, students, and even a housewife were recognized. Several work centers were also praised for their collaboration with the innovators movement: the Jose Antonio Echevarria University City; the Celia Sanchez textile enterprise of Santiago de Cuba; the repair workshop of the Argelia Libre mill in las Tunas; the Antiaircraft Defense and Revolutionary Air Force; the technical development center of the Ministry of the Interior; the Carlos J. Finlay Institute; the Genetic Engineering Center; the Blood Derivatives Center; and Cenpalab [Center for the Breeding of Laboratory Animals]. [passage omitted]

Raul Castro Attends Veterans Group Meeting

FL1712144991 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 17 Dec 91

[Excerpts] Army General Raul Castro, second secretary of the Communist Party of Cuba [PCC] Central Committee and minister of the Revolutionary Armed Forces [FAR], has presided over the meeting creating the Association of Combatants of the Cuban Revolution in Pinar del Rio. The organization is composed of combatants of the Rebel Army, the clandestine struggle, the fight against bandits, the Bay of Pigs, and internationalist missions, as well as members of the FAR and Ministry of Interior [Minint] with twenty or more years of service, active or retired. The objectives of the association include joining together the different generations of combatants for the unconditional defense of the nation, the revolution, and socialism, as well as promoting patriotic, military, and internationalist education.

With the conference, a phase has been completed during which Pinar del Rio was selected as a test case for creating similar institutions in the rest of the country. [passage omitted]

Colonel Donato J. Almeida was elected president of the organization in Pinar del Rio. Fidel Ramos, first PCC secretary in Pinar del Rio, also spoke during the meeting.

[Begin Raul Castro recording] I believe this is going to be a strong organization. Next year, with the experiences which we will continue to perfect, we will finish organizing the association and hold our national conference. By taking our time and not doing things halfway, I believe the role this association can play, the first assembly constituted by [words indistinct] can play a vital role in a number of issues that were debated here, and the unconditional defense of the revolution, and now more than ever, through thick and thin, in bad times and good times. [applause] [end recording]

Commander of the Revolution Juan Almeida Bosque; Army Corps General Abelardo Colome Ibarra, minister of Interior; Division General Ulises Rosales, chief of the General Staff; Division General Leopoldo Cintra Frias, chief of the Western Army—all PCC Politburo members—as well as Comrade Julian Rizo Alvarez, other

high-ranking officials of the FAR and the Minint, and provincial leaders joined Raul at the meeting.

Raul Castro Tours Pinar del Rio Municipality

FL1812140591 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 18 Dec 91

[Text] Army General Raul Castro Ruz, second secretary of the Central Committee of the Communist Party of Cuba [PCC] and minister of the Revolutionary Armed Forces [FAR], has toured military and economic sites in Pinar del Rio Municipality.

At the headquarters of the municipal committee, Raul and his companions were given a detailed update report on completion of the food program in the region. Modesto Mauri, first secretary of the PCC in the municipality, explained that the determining factor in obtaining the current results has been the compliance with the Fourth PCC Congress agreement to plant every square meter of arable land, an activity in which all organizations and enterprises are involved.

The FAR minister characterized the inspection of this program as positive, organized from bottom to top and directed by PCC grassroots organizations, the government, the Union of Young Communists, the labor unions, and mass organizations.

Raul was also briefed on other economic and social aspects of the municipality, which has an outstanding record in reducing infant mortality. Last year's infant mortality rate was 6.2 for every thousand live births and this year should end with a rate of 5.2.

A thorough analysis was also made on steps to fight crime. In this regard, the PCC leaders explained that thanks to the strengthening of the unified vigilance system, the growth of illegal acts has been halted in the province.

At the first stopping point of the tour, the group visited an exhibit of products manufactured by local industries, and innovations implemented to satisfy the needs imposed by the current conditions of the special period.

La Quinta basic production unit, which guarantees tubers and vegetable seeds for the Enrique Truncoso Enterprise of the capital, has two caballerias dedicated to 18 species of medicinal plants. Agricultural expert Leonardo Blanco explained to the visitors that the perfume and cosmetics industry also has an interest in many of these plants, such as chamomile, a crop which the province is in a position to supply to the entire country. The province has already delivered a significant quantity of chamomile to the Suichel enterprise, to be used in the production of shampoo and soaps.

In the self-sufficiency plot of the Friedrich Engels Vocational School, its administrators and workers pledged to Raul their commitment to be the first school of this type to become self-sufficient, foodwise. The livestock unit of the Enrique Truncoso enterprise was another of the sites toured. There they learned of results in the production of rabbit, pork, fish, fowl, and sheep meat, all under special period conditions; a project implemented throughout the municipality and the entire province of Pinar del Rio, following the special period demonstration class given two years ago in the municipality of San Cristobal.

The FAR minister also visited the Camilitos School of Pinar del Rio—the Western Army's best center of its kind—which has had excellent results in the past and current school years.

They also visited the self-sufficiency plot of the Number Seven construction materials enterprise and the mixed fertilizer factory, both located in the industrial zone of the provincial capital. Both sites contain centers exemplifying the development of the food program. For this reason, they were congratulated by Comrade Raul Castro.

Finally, the group visited the provincial General Staff in which they reviewed the principal tasks relating to defense in Pinar del Rio Province. Raul was accompanied by Politburo members Commander of the Revolution Juan Almeida Bosque, Division General Leopoldo Cintra Frias, chief of the Western Army; as well as other FAR leaders and officers.

Alarcon Criticizes UN Resolution on Zionism

FL1712144691 Havana Radio Rebelde Network in Spanish 0000 GMT 17 Dec 91

[Text] At the United Nations, Cuba has criticized the draft resolution presented by the United States to eliminate the resolution equating Zionism with racism.

Cuban Ambassador to the United Nations Ricardo Alarcon de Quesada explained our country's negative vote. Alarcon said: I consider that the text presented by the United States would have negative consequences for the cause of peace and justice in the Middle East, would introduce a distorting factor into any genuine negotiating effort, and would constitute an offense against the Palestinian people, who are the victims of systematic, cruel, repressive, and discriminatory practices.

The General Assembly repealed the UN ruling equating Zionism with racism and thus has again, regrettably, echoed the ideas of the United States. In my opinion, the most serious thing is that this draft has been discussed in the midst of bilateral negotiations for peace in the Middle East between Arabs and Israelis.

UN Vote Reveals 'Real' U.S. Position on Israel

FL1712161591 Havana Radio Rebelde Network in Spanish 1255 GMT 17 Dec 91

["Our Opinion" commentary by Orlando Contreras]

[Text] Yesterday at the United Nations, the U.S. Government showed what its real position towards Israel is, when it pressured the General Assembly to repeal Resolution 3379, thus eliminating the description of Zionism

as a form of racism. This shows that on the essential issues, the apparent differences between Washington and Tel Aviv on the Palestinian issue, after the international conference on peace in the Middle East held in November in Madrid and the subsequent meeting in Washington to try to obtain progress on this issue, have been no more than tactical posturing with which the Bush administration has tried to improve its image in the eyes of some Arab countries. In essence, the United States continues to be Israel's main supporter in the political, diplomatic, and economic spheres.

After the vote, a member of the PLO Executive Committee stated at the United Nations that the United States had used the policy of the carrot and the stick with the UN members during the last two weeks to obtain the repeal of Resolution No. 3379. Shafiq al-Hut said that this is a blow against the Palestinian people's confidence in the mediating role of that country—referring to the United States—in the Middle East.

The member of the PLO Executive Committee argued that 780,000 Palestinians are legally discriminated against in Israel because they are not Jewish, in a clear reference to the racist nature of Zionism. He called attention to the fact that the vote was called on the U.S. draft with the presence of only 49 members out of the approximately 160 who make up the United Nations.

Meanwhile, Israel is going forward with its plans to establish colonies in the territories, occupied by force against international public opinion and explicit UN resolutions. In essence, what is prevailing is not a factual analysis or a real search for justice in order to solve the problems in the Middle East, but rather the doctrine of might makes right and, in the current circumstances in the world, blackmail.

The United States threatens the Third World countries that it will cut off their loans and all kinds of economic aid or trade preferences if they oppose U.S. policy in the United Nations. This is why Shafiq al-Hut, a member of the PLO Executive Committee, said that Washington had used the carrot and stick policy in the United Nations.

Calm Restored at Refugee Camp in Guantanamo

FL1712222891 Havana Radio Reloj Network in Spanish 2048 GMT 17 Dec 91

[Text] U.S. military authorities at the Guantanamo Naval Base have confirmed that calm has been restored at that war enclave, where Haitians seeking political asylum are being held. Yesterday, Pentagon sources confirmed that Haitian refugees held on two different occasions, this past weekend, demonstrations protesting their internment, repatriation fears, and the uncertainty of whether they will be allowed to enter the United States.

A crucial moment of the revolt coincided yesterday with the first anniversary of the victorious elections of Father Jean-Bertrand Aristide, overthrown by the Haitian military 30 September. Aristide has been living in Caracas since the coup.

Moreover, Immigration and Naturalization Service confirmed that 1,012 persons have already been admitted as political refugees out of a total of more than 5,500 Haitians processed from the Guantanamo Naval Base.

* Chilean Businessman on Technical Assistance

92CA0057A Santiago EL MERCURIO in Spanish 24 Nov 91 pp F1, F18

[Interview with industrialist Carlos Cardoen by Silvia Riquelme in Cardoen's home; date not given]

[Excerpt] [Passage omitted]

Investment in Cuba

[Riquelme] You are one of the least conventional businessmen in the country, and one of the pioneers in doing business with Cuba. What motivated you to do that?

[Cardoen] I think that Chile, which is emerging from its position as a raw materials producer, should try to add value to its products. It should sell organization, experience, and intelligence, which is what the developed countries do.

[Riquelme] Specifically, what is the focus of your business dealings in that country?

[Cardoen] Fruit production. Cuba has a citrus industry that is very highly developed in terms of the amount of land that is planted in citrus trees. It has about 50,000 hectares in citrus groves. But the Cubans, accustomed to selling to the socialist countries, had no standards for control or quality, nothing similar to what the West has. The great change in socialist Europe led Cuba to try to export to Western Europe, but it found that its quality levels were so low that its products could not be exported. The country then looked at the Latin American experience, and focused on Chile. It is especially interesting to us to be able to distribute or work with citrus fruits, because Chile has fruit production from November to April; it does not produce the rest of the year, so all of our sales and marketing efforts stop during that period. If we were to add tropical fruit to close the circle, we could sell year round. Thus, on the one hand, we sell experience, and on the other hand, we benefit by exporting citrus fruits from Cuba, with Chilean engineers, Chilean machinery, and boxes made in Chile, and meeting international standards. We have performed miracles in Cuba. In a year and a half we have managed to produce exportable goods that today are competing at the international level with no problems.

[Riquelme] How much fruit are you exporting from Cuba?

[Cardoen] Our first objective was 1.5 million crates of grapefruit, and I think we will see an increase of 500,000

or 1 million crates per year. We would like eventually to add bananas, pineapples, and mangoes, all tropical fruits that are not available in Chile and that will allow us to close the circle. That way we will be in the same position as foreign businesses that handle Chilean fruit, because they have the power to organize well, since they market all year round with fruit from other countries. I think we must free ourselves from the pettiness that divides us as human beings. We have been very well received in Cuba, and we are working without problems, showing the Cubans how to work with the fruit. It is an experience that other Chilean industrialists are seeking as well, and I hope it will be repeated many times.

[Riquelme] Is that what you would call a business without borders?

[Cardoen] Exactly, because we are no longer selling just mineral ore or copper, which the more developed countries would prefer that we confine ourselves to; we are adding intelligence in the sectors and activities where we have expertise, because we are good at producing fruit.

[Riquelme] Is there any other project similar to the Cuban one in some other country in the region?

[Cardoen] Yes, we are in the process of advising Venezuela on mango plantations. Although we are not specialists in that type of fruit, we are specialists in irrigation, cultivation, ground preparation, and all aspects of fruit production.

But not everything is fruit. Carlos Cardoen has just formed a partnership through Petromin with the Belgian firm Magoteaux to produce a new technology in grinding balls for minerals. His investments will amount to more than $20 million this year, and he claims he is in the process of consolidating his businesses: GMT, T y F, Tecnologia y Fabricaciones; Petromin Limitada, Industrias Cardoen, Alum Car, Las Araucarias, Hotel Galerias, Compania Chilena de Fosforos, Mincar, Aeromet, and Explomin S.A.

Haiti

Thousands Demonstrate Against Embargo, Aristide

FL1712182491 Port-au-Prince Radio Nationale in French 1800 GMT 16 Dec 91

[Excerpts] Responding to the call of several political parties and organizations, a mass demonstration was staged in Port-au-Prince on 15 December to protest against the embargo and the possible return of Jean-Bertrand Aristide. This demonstration, which included several national organizations, began at the Quai Colomb in Bicentenaire and ended in front of the OAS building in Premiere Impasse Lavaud. Roland Chery ensured the coverage of this demonstration.

[Begin Chery recording in Creole] Within the scope of the struggle that all sectors in the national life are staging against the embargo that Aristide and the OAS have imposed on the country for more than two months, a mass demonstration was organized on Sunday 15 December in Port-au-Prince in which several thousand people took to the streets. They took to the streets in order to say: Down with the embargo; Down with the return of the former president; and Up with democracy. That is what we saw on the demonstrators' placards.

We must note there were several new elements in this demonstration. For instance, there was a coffin which two demonstrators bore on their heads from the Ministry of Foreign Affairs in Bicentenaire to the Port-au-Prince cemetery where they went to bury symbolically the presidency of Mr. Aristide, who thought he could unconditionally return to power in the country. [passage omitted]

Another new element that we noted in this demonstration was a deployment of policemen and anti-gang agents in Grand-Rue and Rue Carl Brouard, where some bandits threw stones at the demonstrators. Despite the efforts of the policemen, they did not succeed in catching the perpetrators of these dishonest acts, who escaped.

The third new element that we saw in the demonstration was the participation of several groups of children from Family is Life. We must point out that the Family is Life children are former proteges of Mr. Aristide. [passage omitted]

The demonstration did not end at the Port-au-Prince cemetery. The demonstrators went up to the front of the OAS building located in Premiere Impasse Lavaud in Port-au-Prince. [end recording]

Delegation Named To Investigate Deputy's Death

FL1712184791 Port-au-Prince Radio Nationale in French 1200 GMT 17 Dec 91

[Text] A delegation left Port-au-Prince 16 December around 1900 GMT in order to obtain further information on the assassination of Pignon and Ranquitte Deputy Astrel Charles.

The delegation is made up of: Mr. Francis Gracia, a representative of the Ministry of Interior and National Defense; Duly Brutus and Robert Monday, the president and vice president, respectively, of the Chamber of Deputies; Colonel Henri Max Mayard, G2 [as heard] of the Haitian Armed Forces; Leogane Deputy Evans Beaubrun; Plaisance Deputy Jean Mardenave; and a brother of the deceased deputy.

Parties Claim Aristide Supporters Massacred

FL1712145991 Bridgetown CANA in English 0517 GMT 17 Dec 91

[From the "CANA News Sum. ry"]

[Text] Two major Haitian political parties are appealing to the international community to help end violence which broke out Sunday [15 December], charging that

there has been a massacre of people who favour the return of ousted President Jean-Bertrand Aristide.

In a letter to Aristide on the first anniversary of his election, the parties said a military crackdown that started on Sunday was part of a "macabre plan" to block negotiations for his return.

One legislator has been killed in the crackdown and others are reported to be in hiding.

Aristide, who won elections held on December 16, 1990, by a 67 per cent majority, was ousted in a September military coup that resulted in a crippling trade embargo by the Organisation of American States (OAS). Aristide now lives in exile in Venezuela.

Senators Say End of Embargo 'Possible' by 25 Dec

FL1712190091 Port-au-Prince Radio Nationale in French 1200 GMT 17 Dec 91

[Interview with Senators Ebrane Cadet and Dejean Belizaire by correspondent Jean-Marie Ferari, in Port-au-Prince on 16 December]

[Text] Nine days before Christmas, we hope, we expect a big package of gifts for 25 December. Maybe it will be the lifting of the embargo. That is what Senator Ebrane Cadet told our colleague Jean-Marie Ferari. May I point out that the Christmas feast is next 25 December. The question which is in the headlines today is the following: Will this feast take place while the Haitian people are experiencing an embargo? For his part, Senator Dejean Belizaire is very optimistic and believes a patriotic act will be made in that regard. Jean-Marie Ferari interviewed these two senators who told him many other things.

[Begin recording in Creole] [Ferari] In a few more days, it will be 25 December, that is Christmas. But Haiti has been experiencing an embargo since 5 November. Concerning the embargo, we interviewed a senator, namely Northwestern Senator Ebrane Cadet, who told us he hopes the embargo can be lifted within a short time, before 25 December. This, however, depends on the person who decided on it.

[Cadet] I do not want to make a formal declaration, but I am very optimistic. If there is only a bit of goodwill it is very possible that the people will live through the embargo on 25 December because I had the opportunity to talk even today with a very important personality, a personality who is in a position to know things, a personality who is in touch with persons who make things, who participate in the decisions, what is called in English those who make decisions [preceding four words in English].... [changes thought] I believe that—if there is a bit of goodwill, a bit of patriotism, a feeling of brotherhood, a feeling of love; if people really love one another in the manner of Jesus because, when one says one loves people, it must not be mere words, but it must be shown through actions. One must show this love through actions because the verb to love is an action verb. One must not just say one loves—one must give evidence of one's love through tangible and concrete deeds. It is very possible that the embargo will be lifted by 25 December, even within 48 or 72 hours.

[Ferari] We are recalling that one of the conditions for the lifting of the embargo according to the negotiations with the OAS is the choice of a new prime minister in accordance with Article 137 of the Constitution. Three names have been proposed for the post of prime minister, quote: Rene Theodore of the Unified Party of Haitian Communists, centrist Marc L. Bazin of the Movement for the Establishment of Democracy in Haiti, and Professor Victor Benoit of the National Congress of Democratic Movements. What chances does one of these three names have to succeed? Let us listen to Senator Ebrane Cadet.

[Cadet] I am asking President Aristide as well as the OAS if they understand the Haitian reality today, Monday 16 December at 2105 GMT. Do they concretely and tangibly understand the reality? Do they really understand it? If they really understand it, they will realize that—as socialism has its roots in communism and as communism has failed—socialism as well (?has failed). The people who did not side with communism are wishing the failure of socialism as well. It [socialism] is tottering in France. Perez has begun having problems with it in Venezuela. It has problems in Chile. Meanwhile, socialism is leaving Europe to become famous in America. The capitalism that is dominating America will never be happy to see that socialism leaves its field and then comes to make a name for itself in America. So, all that is possible and that can be imagined for setting traps for this socialism constitutes goals to reach. The socialists as well.... [changes thoughts] Even though they believe there is not ideological war.... [changes thoughts] I am sorry for them because you must keep your eyes wide open to know the reality. As there are traps set in the way of socialism, like Mitterand and Chirac did, the left wing must move toward the center so we can set off together. We have nothing to reproach Mr. Benoit. It is quite normal. He is a political man, is he not? But unfortunately, is he the right man for the current circumstances? Can we say: Here is the man [preceding four words in Latin, Ecce Homo], here is the man, here is the man [repeats]. I think that if some people try to understand this sensitiveness [as heard].... [changes thought] Whoever comes from the National Front for Change and Democracy or the socialist camp will not.... [changes thought] Well, I will not say that person cannot be prime minister, but today, to get out of the crisis that we are experiencing, to get out of the circumstances and conjuncture that we are experiencing, there must be someone with another sensitiveness that enables him to make a love match, another sensitiveness that will allow socialists and capitalists to be satisfied. If one does not think this way, if one wants to be the sole winner of everything, one will lose everything.

[Ferari] While expecting the appointment of this new prime minister, this new strong man, we keep asking the question: Is there hope? Is there hope for the Haitian people to get rid of the embargo by 25 December? Senate President Dejean Belizaire told us there is hope.

[Belizaire] The hope is that everybody understands that 25 December is coming and that the people have suffered so much for years and for the whole year 1991 that they are not obliged to see the end of the year 1991 while experiencing embargo.

[Ferari] That does not depend on those at the Parliament but they are very optimistic, Senator Dejean Belizaire added. We are reminding that this is Monday, 16 December. That is one year after the elections of last year. According to Senator Ebrane Cadet, many people consider them a disappointment because of what they expected from 16 December 1990.[end recording]

St. Vincent and the Grenadines

Mitchell on Defeat of Trinidad's Robinson

FL1712220591 Bridgetown CANA in English 2107 GMT 17 Dec 91

[Text] Kingstown, St. Vincent, Dec 17, CANA—St. Vincent's prime minister, James Mitchell, said he was "not entirely surprised" at the humiliating defeat of the National Alliance for Reconstruction (NAR) government in Monday's general election in Trinidad and Tobago.

Mitchell said failure of Prime Minister A.N.R Robinson to heal the rift between his NAR and Basdeo Panday's United National Congress (UNC), the perception by the electorate that Robinson was attempting to change the racial mix by offering to accept Haitian refugees and the NAR's apparent loss of contact with the people all contributed to its demise.

The NAR won only two of the 36 seats at stake in Monday's poll according to preliminary figures, while the People's National Movement led by Patrick Manning took 21 seats. The United National Congress splinter of the NAR led by Basdeo Pandy took 13 seats largely on votes by Trinidadians of East Indian descent.

Mitchell said that when the NAR formed the government it provided a link between the support of the Indians and Robinson's loyal Tobago supporters, which in turn positively influenced other voters.

"When they lost the Indian support and were perceived to be not consolidating their position, then it was obvious that there was going to be disaster," Mitchell said. He added that his interest was now on the future fiscal policy direction of the Patrick Manning administration.

"I will be watching with interest to see what kind of fiscal policies the new government will follow and see what impact those fiscal policies will have on the economy of Trinidad and Tobago and in turn, the rest of us in the Caribbean."

Government Decides Against Accepting Haitians

FL1712222291 Bridgetown CANA in English 2111 GMT 17 Dec 91

[Text] Kingstown, St. Vincent, Dec 17, CANA—The St. Vincent and the Grenadines Government will not accept refugees who have been fleeing strife-torn Haiti in the face of anti-Aristide repression. Prime Minister James Mitchell, said he had given the matter serious consideration and had decided against accepting refugees.

"I'm not interested in setting up any refugee camp here. We have enough unemployment. I'm very concerned about the problems of Haiti but we have enough here in St. Vincent and the Grenadines," Mitchell said.

The Organisation of American States (OAS) which has led an economic embargo against Haiti, had requested its member states to offer whatever possible assistance to Haiti while the United Nations High Commissioner for Refugees said it was willing to support refugees accepted by countries outside the United States. [Words indistinct] Mitchell, during discussions last Wednesday with OAS assistant secretary general, Christopher Thomas, voiced "unequivocal" support for the continuation of economic sanctions against Haiti and was "categorical" in his position of demand for respect for the constitutionality of President Jean-Bertrand Aristide and of the will of the Haitian people.

The OAS, which has been conducting a series of missions to ensure the return of democratic government under Aristide, ousted in a September 30 military coup, has expressed optimism that its objectives will be achieved peacefully.

Trinidad and Tobago

Patrick Manning Sworn In as Prime Minister

FL1712213291 Bridgetown CANA in English 2029 GMT 17 Dec 91

[Text] Port-of-Spain, Trinidad, Dec 17, CANA—Patrick Manning, the leader of the victorious People's National Movement (PNM) who was being sworn in Tuesday afternoon as the fourth prime minister of Trinidad and Tobago, was scheduled to address the nation tonight. Manning, 45, led his People's National Movement to an election victory Monday, taking 21 of the 36 seats.

The United National Congress, a splinter of the incumbent National Alliance for Reconstruction [NAR] and led by former External Affairs Minister Basdeo Panday, won 13 seats and the NAR two.

The government's information division said the country's new attorney general—yet to be publicly named—

will be sworn in on Wednesday, while on Thursday, the new cabinet is expected to take the oath at president's house.

Manning Supports Caricom, Refuses Refugees

FL1812010591 Bridgetown CANA in English 0027 GMT 18 Dec 91

[By Linda Hutchinson]

[Text] Port-of-Spain, Trinidad, Dec 17, CANA—In his first statement as prime minister, Patrick Manning, has given support for the Caribbean Community [Caricom] integration movement and declared that Trinidad and Tobago will not accept temporary Haitian refugees. Minutes after being sworn in Tuesday by President Noor Hassanali, Manning told reporters of his desire for a close relationship with Caricom leaders and said he would like to see a deepening and widening of the 13-member group of English-speaking countries.

Manning who took his People's National Movement [PNM] to victory in a general election Monday, restated his campaign opposition to outgoing Prime Minister Arthur Robinson's decision to allow temporary stay to some 100 Haitian refugees.

"On the campaign trail, that was an issue I put before the electorate and the PNM's position was that refugees should not come here, Haitian refugees; and I put it in the hands of the electorate," he said.

"If they (the voters) supported the PNM, then they will endorse that position as we saw it.... They have supported the PNM and therefore we consider the position endorsed.... Therefore no refugees here."

The United States has asked several Caribbean countries to accept Haitians fleeing their homeland in the wake to Army atrocities since the September 30 overthrow of elected President Jean-Bertrand Aristide.

Manning also reiterated his promise to pay millions of dollars owed by the government to public servants and sugar cane workers. The Robinson administration had cut salaries and removed allowances to reduce expenses under an International Monetary Fund economic support programme. Manning also said that there were no plans to devalue the currency as rumoured during the elections campaign.

The 45 year-old geologist was sworn in as the fourth prime minister of the twin-island Republic, at a brief ceremony attended by his wife Hazel and about a dozen of his close relatives.

El Salvador

Cristiani on FMLN Acquiring Party Status

PA1712235191 San Salvador Radio Cadena YSU in Spanish 1800 GMT 17 Dec 91

[Text] President Alfredo Cristiani said that the Farabundo Marti National Liberation Front [FMLN] could become a political party when the negotiations are over as long as it is done within the country's legal framework.

President Cristiani said today that the FMLN could integrate itself into society as a political party within the framework of the law. This is the purpose of the negotiation process, he said.

The president also referred to the FMLN's war tax as armed blackmail.

[Begin Cristiani recording] Since the FMLN's armed struggle for power is unjustifiable, efforts to attain political power through democratic procedures are appropriate. Once the FMLN is integrated into the legal framework, it may, if its members so desire, become a political party.

Regarding the war tax, we still believe it is vulgar armed blackmail. Something like that cannot be called a tax. We will try to guarantee the security of all coffee growers through Operation Grain of Gold [grano de oro]. [end recording]

Regarding the current state of the negotiations, the president said there is no deadline for signing the last agreements. He also said the Army must be strengthened for the coming period.

[Begin Cristiani recording] There is no deadline, so we cannot say agreements will be signed on 26 December, for example. When we talk about strengthening the Armed Forces, we have already said it would be done through a qualitative and quantitative process. In that sense, reducing the number of soldiers in the Army does not mean the Army will be weaker, because the number of soldiers is a reflection of the existing conflict. The Army has not grown without reason. Once the conflict is over, the Army will have to adapt to new circumstances that do not require such a large number of soldiers.

I also believe that every institution must maintain its good points. Every institution must maintain its professional status and the things that are a credit to its name. If a procedure to strengthen the Armed Forces is implemented, it does not necessarily mean that candidates will be elected. The armed institution strengthens itself by retaining the most professional officers and soldiers in accordance with the duties outlined in the Constitution and in keeping with the missions of an army in a democratic country. [end recording]

President Cristiani also said that the government has not been pressured by the international community to reach an agreement in the new round of negotiations.

He also said that up to the present time he has not been invited to directly participate in the negotiations.

President Cristiani made these statements during the graduation ceremony of 13 Army officers from the Staff Diploma [Diplomado de Estado Mayor] course.

Santamaria Interview on Peace Talks With Rebels

PA1712132491 San Salvador Radio Cadena YSU in Spanish 1230 GMT 16 Dec 91

[Interview with Presidency Minister Oscar Santamaria, head of the Salvadoran Government delegation, by Ricardo Gomez on 15 December at a New York City airport—recorded]

[Text] [Santamaria] The UN secretary general invited us to continue the talks in New York. We believe there is a deadline that expires at the end of the month, as the secretary general has suggested. This deadline is also an incentive. We believe that if there is goodwill and an attitude to make progress, the New York meeting will yield the results the Salvadoran people are expecting.

We believe we have to work intensively, seriously, and responsibly. Rational positions will prevail, I believe, to achieve results. We believe that although we do not have much time, we will do whatever we can to promote the process and secure the expected results.

[Gomez] The president has not come, Dr. Santamaria. If necessary, would he come to New York?

[Santamaria] The president has already reported on this. The UN secretary general invited us here to hold discussions. The president has said, however, that he will be analyzing the situation, the conditions, and the circumstances and that all possibilities are open.

[Gomez] One last question, Dr. Santamaria. Last week it was reported that the National Commission for the Consolidation of Peace [COPAZ] promoted a bill to give political party status to the FMLN. The FMLN could then request political status from the Central Electoral Council. Was this part of the San Miguel de Allende agreement?

[Santamaria] COPAZ cannot anticipate what is happening at the negotiating table. I do not think this information is correct. Everything depends on the discussions on the political participation of the FMLN. I think the role of COPAZ is to supervise and to implement agreements. It cannot predict what will happen at the negotiating table.

[Gomez] What about the alleged attack on the airplane that was taking the FMLN commanders to Mexico?

[Santamaria] We have heard about that. Foreign Minister Pacas Castro immediately asked the UN Observer Group in Central America [Onuca] for information. Onuca issued a communique reporting that the accident was due to mechanical failure, not a result of an attack.

[Gomez] What is the political attitude of the government on the issues to be discussed?

[Santamaria] We are coming with the best attitude. We expect this same attitude in the FMLN. We believe that everything depends on what may happen during the meeting.

[Gomez] How long do you think the meeting will last? Will this depend on the intensity of the talks?

[Santamaria] It will depend on the process. This is in the hands of the UN secretary general. We have come without limitations or conditions. We accepted the invitation for all it is worth. We are ready for whatever may happen.

Ponce on Rebels Joining Civilian Police Force

PA1712231091 San Salvador Radio Cadena Horizonte in Spanish 1815 GMT 17 Sep 91

[Report by Daniel Lopez]

[Text] Defense Minister General Rene Emilio Ponce has asserted that the FMLN [Farabundo Marti National Liberation Front] members who want to join the Civilian National Police must surrender their weapons and receive amnesty. The military commander noted that the Government and the Armed Forces are not willing to appoint FMLN members to the new civilian police corps that is to be formed in accordance with the agreement reached between the conflicting parties in the country. Gen. Ponce indicated that the rebels have to pass all the standard tests to join the new civilian police.

[Begin recording] [Ponce] I want to publicly state that what the New York agreement establishes is that former FMLN combatants will be able to enter the Civilian National Police. We understand the term combatant to mean FMLN members who have surrendered their weapons, have received amnesty, and are thus able to fully enjoy their rights as Salvadorans. Thus, can apply to study at national or foreign academies to prepare themselves to be civilian national policemen. What has to be clear is that no quota of power in the Civilian National Police will be given to the FMLN.

[Lopez] Does this mean they will not be squad or battalion leaders or be given any sort of command positions?

[Ponce] No, this means that after they have surrendered their weapons and received amnesty, they have to be trained so they can occupy these positions. They are not going to be given command positions as soon as they leave the fields, not even positions as civilian policemen. Why? Because these people offer no security and people would not trust them. They would create insecurity. [end recording]

The military commander also claimed that the FMLN is exacting a war tax from coffee producers in western El Salvador. Gen. Ponce indicated that the FMLN extorts large amounts of money from the people harvesting the coffee.

[Begin recording] [Ponce] In the past days there have been strong clashes in the Guazapa, Chalatenango, and northern San Miguel areas. The FMLN harasses the soldiers but what really predominates is the FMLN's extortion and threats against coffee growers. On 16 December, I was informed that the FMLN is also extorting the people harvesting sugar cane. This is the FMLN strategy now.

[Lopez] How do you evaluate the bilateral cease-fire decreed by the FMLN a month ago 16 December? How would you evaluate it?

[Ponce] What we can say clearly is that the violence in the country definitely decreased from the moment the FMLN declared its unilateral cease-fire. This means the FMLN is the party that generates the violence in the country. [end recording]

In regard to military actions, the defense minister said that they have decreased and that this proves the FMLN is the one that generates the violence the people reject. He also said the attainment of peace in the next days depends on the guerrillas.

Military Sources Say FMLN Demands 'War Tax'

PA1712175191 San Salvador Radio Cadena YSKL in Spanish 1200 GMT 17 Dec 91

[Text] Military sources have reported that the Farabundo Marti National Liberation Front, FMLN, has continued its campaign to demand that coffee farms pay a war tax. The sources added that the guerrillas have threatened the owners of the El Cipres and Santa Lucia coffee farms in La Libertad Department.

The Armed Forces Press Committee has reported that the guerrillas have told the owners of those farms that they will mine the plantations and prevent the coffee harvest if the owners do not pay a war tax.

FMLN Infiltration of Refugee Camps Condemned

PA1712225091 San Salvador EL DIARIO DE HOY in Spanish 16 Dec 91 p 8

[Text] Military sources report that Farabundo Marti National Liberation Front [FMLN] guerrillas have infiltrated repatriate settlements. Here in the northern and central regions of the country the guerrillas have set up shops to make explosives. They hide their weapons in the fields used by displaced persons.

Several groups from Morazan Department have requested UN Observers for El Salvador delegates to investigate repatriate settlements in Chalatenango, San Salvador, Cabanas, Cuscatlan, and Morazan Departments.

Military intelligence has evidence that FMLN groups are strategically distributed throughout refugee settlements. According to reports, the terrorists live in the center of each settlement, where they have their hospitals, recreational areas, and weapons repair shops.

According to this strategy, the FMLN terrorists live near families with many children. The guerrillas can then report human rights violations or abuse of peasant children if Army troops are sent in after them.

The FMLN terrorists coordinate the arrival of international assistance for refugees and, of course, for themselves, to gain confidence, it was explained.

A few days ago Colonel Oscar Leon Linares, commander of Military Detachment No. 4, revealed evidence that the man and woman who had placed a load of dynamite at a Lempa River Hydroelectric Executive Commission tower were members of the so-called "Ciudad Segundo Montes."

The woman was electrocuted while trying to flee when the electrical tower fell on a fence. The man sustained burns and was taken to the San Francisco Gotera hospital.

An investigation revealed that the man had been previously arrested when caught handing out FMLN flyers. On that occasion, several groups, including those from "Ciudad Segundo Montes," which is supported by foreigners, organized a demonstration in front of Army headquarters to demand the man's release "for being illegally detained."

PCN Official Opposes FMLN Legalization Plans

PA1812011791 San Salvador LA PRENSA GRAFICA in Spanish 16 Dec 91 p 27

[Text] The National Conciliation Party [PCN] disagrees with legalizing the Farabundo Marti National Liberation Front (FMLN) by legislative decree.

Ciro Cruz Zepeda, secretary general of the PCN, made this statement when asked for his opinion on the National Commission for the Consolidation of Peace [Copaz] recommendation made in Mexico City.

Zepeda says he disagrees with the move because he believes such recognition should be granted in accordance with Electoral Code requirements.

He said that "it could be done, but it would not be convenient as it is impossible to override a recently modified electoral provision."

He explained that the Electoral Code contains clear and precise provisions on how a political party should register and be accepted, which is in the proper legal way.

Ciro Cruz Zepeda said that "if, as the FMLN says, they have many members, it should be easy for them to gather 3,000 signatures, as the Electoral Code specifies."

"Of course," he added, "they could receive special, expedited treatment in the handling and approval of their registration."

He also believes that "there should be total disarmament before the FMLN is legalized." He could not specify the details of disarmament, but said it would be indispensable.

The secretary general of the PCN is pleased with Copaz' 13 December decisions and said he was sure that war would be replaced with peace. He added that the signing of a peace agreement is possible before the end of the year.

"All sides must give. The government, the Armed Forces, and the FMLN must reach a consensus in the coming days. To leave this for 1992 would set a bad precedent. Such an important issue to Salvadoran life cannot be postponed."

Guerrillas Ready To Respond to 'Provocations'

PA1712212191 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 17 Dec 91

["Communique" issued by the National Army for Democracy in El Salvador on 14 December]

[Text] We report the following to our people:

1. We believe the attack on our military leaders, who were traveling to the round of negotiations in New York, is a signal of war by the government and its Armed Forces.

2. The government and its Armed Forces continue to use our desire for peace and our truce to gain a military advantage and to attack our military leaders.

3. We reiterate our obedience to our General Command and our full support for the process of negotiations. Nevertheless, we warn that we are ready for combat to firmly respond to the provocations of the government and the Armed Forces.

4. We issue an alert to all our combat units throughout the national territory to obey the orders that will be issued within the next few days.

[Signed] National Army for Democracy
[Issued] El Salvador, 14 December 1991

Handal Says FMLN Willing To Reach Agreement

PA1712165491 San Salvador Radio Cadena YSKL in Spanish 1200 GMT 17 Dec 91

[Text] Shafik Handal, one of the five main Salvadoran guerrilla leaders, said at the UN headquarters in New

York on 16 December: We believe that 1991 should be the year of peace. We believe there is still time to achieve this.

Handal spoke to the press as he was going to obtain his credentials to permit him to enter the United Nations. Negotiations between the Salvadoran Government and guerrillas began on 16 December to end the 12-year old civil war that has claimed more than 75,000 lives.

We have come with a willingness to reach an agreement, Handal said. Handal and Francisco Jovel, Salvador Sanchez Ceren, Eduardo Sancho, and Joaquin Villalobos—the other four main commanders of the Farabundo Marti National Liberation Front [FMLN]—head the FMLN delegation to the talks.

The members of the Salvadoran Government delegation, led by Presidency Minister Oscar Santamaria and Interior Minister Colonel Juan Antonio Martinez Varela, refused to speak to the press.

FMLN spokesman Roberto Canas stated that the topics to be discussed during the negotiations concern the reduction of the Armed Forces, the organization of the National Police, social and economic issues, the end of the armed conflict, and the timetable for the implementation of the agreements. We have come with a complete political willingness to reach an agreement, Canas added.

FMLN Command Addresses Officers, Combatants

PA1712200791 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 17 Dec 91

[Communique issued by the Farabundo Marti National Liberation Front, FMLN, General Command on 16 December; place not specified]

[Text] To all chiefs, officers, and combatants of our National Army for Democracy in all our war fronts in the cities and the countryside:

We congratulate you for the high discipline and professionalism you have shown thus far in fulfilling the truce and for the effective blows you have inflicted on the Armed Forces as a result of their provocative operations. This is added to the great success of the mobilization of all the organizations of the people's movement. It is an overwhelming response to the plans of the extreme rightist sectors, which want to turn back the negotiations.

We call on you to remain combat ready in defense of everything achieved in the negotiations on behalf of our people and combatants. We are at the final battle. This is the time for full unity and for the greatest determination. We must maintain and strengthen the defense of our interests; we must be ready to react and respond with utmost firepower against those who want to prevent the successful outcome of the negotiations. We must also be ready to celebrate victory.

[Signed] Commanders Francisco Jovel, Jorge Shafik Handal, Eduardo Sancho, Salvador Sanchez Ceren, and Joaquin Villalobos
[Dated] 16 December 1991

FMLN's Canas Discusses Possibility of Peace

PA1712235591 San Salvador Radio Cadena Horizonte in Spanish 1815 GMT 17 Sep 91

[Telephone interview with Roberto Canas, spokesman for the Farabundo Marti National Liberation Front, FMLN, in New York, by correspondent Herbert Vitelio Luna in San Salvador; date not given—recorded]

[Text] [Luna] In El Salvador, the people have great expectations for the new round of talks in New York. Do you think a declaration ending the war will be signed at the United Nations?

[Canas] I am convinced it is possible. This is the spirit in which the Farabundo Marti National Liberation Front [FMLN] delegation arrived in New York. Let us establish the following relationship. One one side, we can put the time remaining this year, which is very short, and on the other the two parties' political willingness to reach an agreement. If there is political willingness, it is possible to reach an agreement, even if time is short. In other words, we should not equate the complexity of the subject with the short available time but more directly with political willingness to reach an agreement. If there is a true desire to reach a solution that is in the national interest, an agreement is possible.

[Luna] What will be the greatest obstacle to overcome in this new round of talks?

[Canas] Well, in the most recent meeting, held at San Miguel de Allende, we did an important job of polishing the various documents. As a result, we have established each of the agenda's points on which we could not reach an agreement. There remain 10 points that we will discuss in New York in depth, such as the schedule for the implementation of the agreements, the cessation of the armed conflict, the FMLN's political participation.

[Luna] Fidel Chavez Mena told the press that the FMLN will be incorporated into the peace commission through a legislative decree. According to some analysts, however, such incorporation will be impossible. What do you have to say about this?

[Canas] The FMLN is a reality in the country's political life, regardless of the people's will. This reality is an objective one. If there is a true willingness to incorporate the FMLN into the country's institutional and civilian life, it is possible to establish a temporary government of exception for the FMLN's full integration into the country's political life. In other words, laws and legislative decrees are at the service of the nation. If the situation is exceptional, any decrees issued or decisions made must also be exceptional. Provided there is true willingness, it

is possible to find a way out of this problem, a formula so the FMLN can fully and legally be incorporated into the country's political life.

[Luna] Your people are planning to incorporate into the country's political life soon. Do you think this will take place in January?

[Canas] Sure. We will be incorporated into the country's political, social, and institutional life once the agreements are signed. We believe this integration should take place immediately and be made fully legal, the only restrictions being those imposed by the new juridical and institutional framework to be established in the country as soon as the agreements are signed.

[Luna] Thanks, Roberto Canas, for talking to us on what is going on at the United Nations, where the FMLN delegation has been meeting with President Alfredo Cristiani. We thank Canas for this telephone conversation.

[Canas] I thank Radio Cadena Horizonte for the opportunity to address its listeners and tell the Salvadoran people they can rest assured the FMLN is doing everything possible so several agreements can be signed before year end for the benefit of the nation. I would also like to ask the people to wait patiently and be ready to work, because each of us has a place in pushing the negotiations so the year 1992 can lead us to the tranquillity and prosperity our country needs. Thanks, Mr. Luna, for your interest and your time.

Rebel Radio Justifies Civilian Police Role

PA1812005991 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 17 Dec 91

[Station Commentary: Why Must the FMLN Participate in the National Civilian Police?"]

[Text] The new national civilian police force is a result of the struggle by all people. Therefore, everyone should be represented in the force, including the fighters of the National Army for Democracy [END].

We, the fighters have earned the right to participate in the new national civilian police force because it will guarantee democracy, end evictions, and see that the people's movement is no longer suppressed.

END members have not only earned the right to participate in the national civilian police, but our participation is indispensable to guarantee that the agreements resulting from the negotiations are implemented and to make the changes our country needs. This issue frightens people like Calderon Sol and other oligarchs who are opposed to the negotiations and the participation of END in the national civilian police.

In an effort to calm these people, President Cristiani said that power-sharing is not being negotiated with the Farabundo Marti National Liberation Front [FMLN]. What, then, is being negotiated? Our people are very clear—and the New York Agreements clearly specify this—that one of the points calls for the elimination of the National Police, the National Guard, and the Civil Defense Groups, as well as the creation of a national civilian police force.

Why is it necessary for END to participate in the national civilian police? Here we must explain that the FMLN is an important force. It must participate with the rank and file of the political parties and organizations. Only in this manner, and with the participation of the Salvadoran youth in the national civilian police will we guarantee land for the farmers, put an end to evictions, and guarantee justice and democracy for everyone. Otherwise we will continue with the armed struggle.

Communique Reports on First Month of Truce

PA1712214491 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 17 Dec 91

["Communique" issued by the Farabundo Marti National Liberation Front, FMLN, on 16 December, in El Salvador]

[Text] The results of one month of truce, from 16 November to 16 December, is as follows:

1. The Armed Forces carried out 85 offensive and patrol operations in the areas under our control in La Libertad, Cabanas, Morazan, La Union, Usulutan, San Miguel, Chalatenango, Cuscatlan, San Salvador, and San Vicente Departments.

2. The Armed Forces launched 16 artillery attacks using 120-mm and 81-mm mortars and 105-mm howitzers. They engaged in 51 combat actions that resulted in 84 casualties among the government troops. The Farabundo Marti National Liberation Front [FMLN] units reported four casualties among its ranks.

3. During this period of time, the FMLN abstained from carrying out offensive operations and acts of sabotage, thus complying with what was established in its declaration of a unilateral truce ordered last 16 November.

4. Out of this balance, 11 operations and patrols by the Armed Forces were carried out from 10 to 13 December, as well as seven clashes and one artillery attack; 18 casualties were sustained.

Issued by the FMLN on 16 December 1991 in El Salvador.

Rebels Report Government Forces Attack Civilians

PA1712201491 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 17 Dec 91

[Text] At 0930 on Monday, 16 December, special forces groups from the Salvadoran Air Force and the 1st Infantry Brigade began offensive operations in the area of El Cerrito, Trufo, and El Salto, when the residents were meeting to receive an Onusal [UN Observers for El Salvador] delegation. The enemy used 81 mm mortars, a

90 mm gun, and rifle fire to stage the attack. This action is another violation by the antidemocratic Armed Forces of the agreements among the government, the FMLN [Farabundo Marti National Liberation Front], and Onusal.

It has also been reported that the antidemocratic Armed Forces caused serious damage to the crops belonging to the civilian population in the area under attack. There were heavy clashes, but our units successfully repelled the attack and defended our territories.

We issue a call to the Onusal delegation to confirm these violations of human rights by the antidemocratic Armed Forces.

This report was issued by the joint command of Guazapa Mountain.

Guatemala

Government Negotiator: URNG Plans Offensive

PA1712194391 Guatemala City SIGLO VEINTIUNO in Spanish 15 Dec 91 p 3

[Text] Manuel Conde Orellana, president of the government delegation to the negotiations with the guerrillas, stated on 14 December that there have been reports that the Guatemalan National Revolutionary Unity [URNG] is planning to launch a military offensive to establish a greater presence in the interior of the country within the next few days.

According to Conde Orellana, the rebel actions will include assaults along the highways, something that is unnecessary and inadvisable for peace, because only the Guatemalan people will be affected, since they will wind up being involved in the military actions, he stressed.

The government, he added, reiterates its political will to go to the negotiating table as often as necessary to continue the peace talks. He asked the URNG to show more political will and stop thinking of a possible intensification of the armed struggle.

He said that the government delegation is prepared to continue the dialogue process as soon as conciliator Rodolfo Quezada Toruno, president of the National Reconciliation Commission, feels it is opportune, that is, when he feels that there are more points of agreement between the two sides.

In addition, Conde Orellana praised the work done by Quezada Toruno and described it as not only effective, but positive because it allows both sides to come closer to an agreement on the complex human rights issue.

Next week, Quezada Toruno, with the support of UN Observer Francesc Vendrell, will look into the possibility of planning a new meeting between the government and URNG delegations before the end of the year. The purpose of this meeting would be to conclude the discussion of the human rights problem and the feasibility of signing an agreement. This week Quezada Toruno met with both delegations to learn about and analyze the proposals made by each side. Based on this, he drafted a third proposal for reconciliation that the government and the rebels accepted in principle.

Quezada admitted that both sides have made their positions more flexible, thus allowing progress in the talks he has held with each party individually. This has allowed the possibility for a new meeting to be held prior to the end of 1991.

Guerrillas Seek To Eliminate Civilian Patrols

PA1712223691 Mexico City NOTIMEX in Spanish 0004 GMT 13 Dec 91

[Text] Guatemala City, 12 Dec (NOTIMEX)—The Guatemalan guerrillas on 12 December demanded from the government the dismantling of the Civilian Self-Defense Patrols (PAC's), while the Defense Ministry announced the strengthening of those armed groups.

In a radio message, the Guatemalan National Revolutionary Unity (URNG) said that the Army systematically violates human rights by forcing Indians to participate in the PAC's to carry out crimes and abuses against the civilian population.

According to the URNG, the Armed Forces use the PAC's as a shield for their operations in areas of conflict.

The URNG urged the Army to respect the noncombatant civilian population, stop the indiscriminate bombings, and respect the lives of prisoners.

The URNG command stressed that violations of human rights should not go unpunished.

"The Army and the government must respect human rights and comply with the Geneva Agreements, which establish guarantees for the inhabitants of this country," the guerrillas noted.

In its message sent to local radio stations, the URNG demanded an end to the legal impunity of the Army and abuses committed by the Army.

The guerrillas added that in the negotiations between the government and the URNG, agreements must be reached to prevent the violation of human rights and guarantee the country's stability.

In response to the guerrilla request, Defense Minister General Jose Domingo Garcia Samayoa said that the Army will strengthen the PAC's to protect "their patrimony from the insurgent threat."

Garcia Samayoa said that there are no plans to authorize the creation of voluntary civil defense committees, but that in view of the intensification of the armed conflict, citizens "have the right to defend themselves from the URNG attacks."

He added that those committees will be armed and that their presence in the interior of the country will be reinforced.

"There are many requests for the creation of new groups, as the purpose is defending their patrimony," he stressed.

Gen. Garcia Samayoa deplored the death of 10 soldiers and the wounding of 12 others during a guerrilla ambush on 11 December in Pajapitas, San Marcos, 239 km west of the capital.

Meanwhile, Christian Democratic Party Deputy Enrique Guillen Funes said that the URNG has no control over its forces, because while the commanders are participating in peace talks, guerrilla columns carry out activities in the interior of the country.

He said that the casualties on both sides (URNG and Army) should be a good reason to meditate on the country's situation and put an end to the confrontations.

He also described as "useless" the clashes that take place almost daily, adding that they should be stopped altogether and effective talks to achieve peace in the country should begin.

He suggested that the URNG and the government permit the participation of other groups (such as unions, peasants, students) in the talks.

The government and the guerrillas initially agreed to discuss an 11-point agenda to attain firm and durable peace. However, the dialogue suffered a serious setback when the subject of human rights emerged.

The lengthy process of bringing together political, economic, and social groups in Guatemala to attain peace in that Central American country began in Oslo, Norway in 1989.

Honduras

Workers Told Not To Interfere in Labor Conflict

PA1712002191 Tegucigalpa LA TRIBUNA in Spanish 12 Dec 91 p 6

[Text] President Leonardo Callejas on 11 December asked the Inter-American Regional Organization of Workers (ORIT) representatives currently in the country not to interfere in the country's internal affairs unless they have legal bases for their charges.

The president was responding to questions raised by ORIT delegates regarding the labor conflict between the National Enterprise for Electric Power (ENEE) and the labor union.

At the conclusion of the Armed Forces 1st Infantry Brigade's promotion ceremony held on 11 December at Campo Marte, the president told the press his point of view regarding the ORIT appraisal of the conflict.

According to Callejas, the international observers' charges are a mere expression of solidarity. He noted that "they are a result of a lack of knowledge of the legal framework in which the decisions were made."

Callejas added: "I respect this type of situation, although I do not agree with them, because I think the ORIT delegates should not get involved in national matters unless they have the legal bases to express their opinion on the issue."

The president explained that, in all of this, there is a sentiment of comradeship and of association that "results in a biased analysis." He added that the government reacted to the labor union's illegal actions.

Callejas dismissed the detrimental repercussions the labor conflict could have on the government's image abroad, stating: "We are within the legal framework. Decisions based on legal order should not generate repercussions."

He announced that the opportunity to discuss the problem has reached its limit and that the labor organizations that have gathered in the country will be received at the presidential summit "aware of the fact that demands will be made. This is not going to stop us from giving Honduran and Central American workers access to the presidents," Callejas said.

He did not refer to a search for a negotiated solution to the problem. On the contrary, he reiterated that the only thing that has been done is to follow a legal procedure. At the same time, he announced with pleasure that "80 percent of the workers are working, and those groups that do not want to admit that we are acting according to the law are very small ones."

Article Discusses Promotions in Armed Forces

PA1412001191 Tegucigalpa EL HERALDO in Spanish 10 Dec 91 p 4

[Article by Eduardo Maldonado]

[Text] After a heated discussion on forceful disappearances, the National Congress approved on 9 December the promotion of three colonels, 12 lieutenant colonels, and 18 majors despite the stiff opposition of the deputies of Atlantida Department.

The representatives from Atlantida stated that the Armed Forces have not treated the residents of that department properly. They specifically mentioned the cases of the massacre in El Astillero, the shooting of a disabled youth, and the rape and murder of high school student Riccy Mabel Martinez Sevilla.

Major Juan Blas Salazar is the most questionable of the promoted officers. Human rights groups have accused Maj. Salazar for the disappearance of several labor, student, professional and community leaders when he served as director of the Department of National Investigation (DNI).

It should be pointed out that in their speeches favoring the promotions, Deputies Jorge Maradiaga and Antonio Ortez Turcios presented court evidence dismissing the charges made in 1985 against some military officers.

The opposition deputies also questioned the fact that the Armed Forces submitted the bill to promote the officers in December, forcing the National Congress to convene special meetings. In addition, they recommended that in the future the Armed Forces submit a separate biographical sheet for each officer.

Leonardo Godoy, Jesus Martinez Benitez, Marco Antonio Sosa, and Anibal Salatiel Urbina, Liberal Party deputies for Atlantida Department; reported that the cases of violence involving Armed Forces officers against Atlantida Department residents have not been resolved. They added that these cases have gone unpunished.

The vote for the promotions was nominal and each vote was recorded, at the request of Deputy Anibal Salatiel Urbina. The vote count was as follows: 81 in favor, 15 abstentions and four against. The progovernment National Party of Honduras [PNH] legislative wing strongly supported the bill.

It was assumed the meeting would be peaceful, however, Liberal Party Deputy Leonardo Godoy created a controversy by openly opposing the promotions. Godoy argued that he did not know the conduct of many officers who appeared on the list.

"In Atlantida we are not happy with the actions of some officers and we believe that perhaps those who will be promoted today are not responsible. It is necessary, however, to be informed about their conduct. We could be promoting murderers," Godoy stated.

Olban Valladares, deputy for the Social Democratic Innovation and Unity Party [PINU-SD], abstained from voting because Major Juan Blas Salazar was on the list. He has been mentioned in several cases of disappearances. "We do not have proof of what has been said, but the Armed Forces have not cleared the names of the officers mentioned in shameful actions of the past," Deputy Valladares stated. He requested that the Armed Forces and the National Congress present the report of the disappearances.

"We regret to vote against officer Juan Blas Salazar because he may not be guilty, but it is not our responsibility to clean his name," the PINU-SD deputy added.

Afterward, Liberal Party Deputy Jesus Martinez Benitez made statements against the promotion of Salazar, arguing that his name has been questioned nationally and internationally.

Martinez Benitez asked for the suspension of Maj. Salazar's promotion because "we cannot promote someone who acted against the interests of the people." This request was finally rejected by most deputies.

Meanwhile, Atlantida Department Deputy Marco Antonio Sosa, who also opposed the promotions, directly accused former Colonel "Angel Castillo Maradiaga and former Captain Ovidio Andino Coello of being responsible for the death of Riccy Mabel Martinez."

Deputy Roberto Micheletti also abstained from voting. He denounced military officers who break the law.

Jeronimo Sandoval, Liberal Party deputy for Cortes Department, criticized the attitude of the National Congress on the military officers. He added that is the reason why "they still consider deputies as their pawns."

Liberal Party Deputy Antonio Ortez Turcios defended the military officers and reminded the deputies that they are not judges and cannot decide who is or is not guilty in a particular case.

"We can fall prey to that kind of problem at any time because we are human," the parliamentarian stated as he read a document dismissing the charges against the military officers.

PNH Deputy Cesar Ortega Souza used his alloted time to engage in political proselytism and said that "one cannot attribute all the missing persons cases to someone who was presumably obeying orders. All the missing persons cases occurred during Roberto Suazo Cordova's administration."

Following is a list of the promoted officers:

From lieutenant colonel to colonel: Jose Israel Navarro Carrasco, Alexis Perdomo Orellana, and Jesus Ernesto Avendano.

From major to lieutenant colonel: Alberto Ramirez Matheu, Bohanerges Torres Cruz, Jose Enrique Canales Canales, Andres Wilfredo Urtecho Jeamborde, David Abraham Mendoza Garcia, Juan Blas Salazar Meza, Manuel Alvaro Flores Ponce, Rene Leonel Mejia Serrano, Mario Roberto Pena Figueroa, Jorge Alberto Rodas Gamero, Marco Tulio Ayala Vindel, and Fidel Velasquez Murillo.

From captain to major: Luis Javier Prince Suazo, Alejandro Cabrera Lobo, Jose Ronald Matute Paz, Roy Francisco Quezada Ulloa, Roberto Arturo Diaz Diaz, Jose Anael Perez Suazo, Santos Simeon Flores Reyes, Pedro Ojelander Bautista Cruz, Rafael Antonio Lopez Rodriguez, Luis Alonso Reyes Barahona, Samuel Villatoro Ortiz, Luis Saul Bueso Mazariegos, Rafael Donato Arias Sorto, Donatilo Reyes Reyes, Wilfredo Calderon Canales, Carlos Efrain Paz Sevilla, Bartolome Funez Castellon, and Jose Abdel Navarro Rivera.

Nicaragua

Lacayo Comments on Letter From Baker

PA1712173591 Managua Radio Sandino in Spanish 1300 GMT 15 Dec 91

[Text] Referring to a letter sent by U.S. Secretary of State James Baker to Nicaraguan Foreign Minister Enrique Dreyfus, Presidency Minister Antonio Lacayo stated emphatically that there is no alternative but for Violeta Chamorro to govern in Nicaragua.

Lacayo denied that the aforementioned political letter included any pressure. However, he revealed that it contained some sort of warning regarding the events of 9 November that were sparked by recontras who placed a bomb at the mausoleum of Commander Carlos Fonseca Amador [FSLN founder].

Lacayo, who is the righthand man of his mother-in-law President Chamorro, added that the manner in which the letter was received is not important because it did not have an address, date, or signature. However, he admitted that the letter was delivered by the gringo ambassador in our country to Foreign Minister Dreyfus.

* Commentary Blames Cesar for Polarization

92CA0046A Managua BARRICADA in Spanish 16 Nov 91 p 3

[Text] The attempt by the head of the Legislature to overturn the presidential veto to impose the unconstitutional "Cesar Law," which expropriates property, was defeated yesterday in the National Assembly without a vote. Alfredo Cesar had to swallow his threats that the veto would be debated in the session beginning last Tuesday. Finally, after countless maneuvers, he recognized that he was defeated and did not bother to submit the issue for debate, given the certainty that he did not have enough votes.

Along the way there was evidence of the gangster-like methods Cesar used to intimidate the UNO [United Nicaraguan Opposition] deputies who distanced themselves from extremist positions. Surrounded by hostile forces, the "little gentleman" dropped his poker player's facade, lost his composure, and confirmed his well earned reputation as an unscrupulous and authoritarian politician. Death threats, warnings of loss of privileges, tax persecution, offers of perks, expulsion of a deputy from his own party: these were some of the methods Cesar used against the deputies who turned their backs on him.

When, despite all his attempts, he was finally convinced that he would not be able to reduce the rebels, he pulled out of his sleeve the tactic that has been most successful for him in putting together his leadership over the past few months: stirring up polarization. The bait he used to unite the UNO deputies was issuing a statement condemning the Sandinista Front for the weekend's events, thinking that by stirring up anti-Sandinist feelings he might recover the votes he needed to override the veto.

That was a stupid move on Cesar's part, verging on desperation, for it revealed him to be the principal instigator of political confrontation in Nicaragua, at a time when the government, UNO, and the FSLN [Sandinist National Liberation Front] are all trying to foster a climate appropriate for a national political dialogue. Nor did his strategy produce any results. This statement was never discussed and Cesar had to give up, suffering a personal political defeat to the President of the Republic whom he had dared to challenge.

The outcome of this prolonged legislative battle about the property ownership system is a positive one for the nation's political and social stability. The "Cesar Law" has been buried by the government's veto and by its own political unworkability. The Constitution has been safeguarded, and the route to political cooperation cleared.

What we now need is for the government to put in practice the executive decrees on property worked out during the National Dialogue and for the Office for Territorial Organization to start to work.

* Commentary Criticizes D. Ortega's Tactics

92CA0046C Managua LA PRENSA in Spanish 15 Nov 91 pp 1, 12

[Editorial]

[Text] LA PRENSA does not believe that "NO"—Daniel Ortega's thought—reflects the ideas of the majority of the Sandinist Front. This party's dictatorial vertical structure—after 10 years in office—continues to operate through inertia, but every day it grows more remote, more opposed to the tide of history. Compare the changes in Russia—spurred on by this tide of history, it is even changing its name—compare the cautious, slow, but obvious mid-course shift of Fidel Castro (who wants to make the circle move without changing the center), with Ortega's crude hard-hitting vision of power, ordering the most antihistoric and barbarous actions, those most repulsive to contemporary thought. When even Arabs will sit at the same table with Jews to seek solutions through dialogue, he breaks off talks and converts Managua into a Beirut without cause, or into a Yugoslavia without reason, and ridiculously resuscitates without heroism the extreme resources of the Front that were used against Somoza, when the person in the presidency now is Dona Violeta, a maternal and delicate woman; a woman without police and without an army.

Some other type of thinking must be circulating within Ortega's vicinity; otherwise we would have to discuss the dying state of the Front—its "death throes," and its inevitable elimination as a party.

Neither the Nicaraguans, nor the great and better forces of the world are prepared to lose the Democracy and Freedom won in this symbolic country. Nicaragua is now

the CENTER of America at a key moment in universal and continental history, which only the confusion caused by losing power and the evils generated by governing with a dictatorship could cause former President Ortega not to realize. Anticivil barbarity, plus antireligious barbarity—the most reactionary actions, a move toward Stalin or toward Hitler, after all that has happened in the world—place the Front, through the work of its leader, in the embarrassing category of kinship with Haiti.

That is why we believe that, in the inevitable reflection which must follow these extreme and shameful actions: the trucks burned near a statue of La Metralleta [Submachine-gun], there are many people who will use their intelligence to save a group which could still provide the "patriotic service" which it owes to Nicaragua. Not the service of death (which caused the holocaust of thousands of young people), but the service of life, by consolidating the system of cooperation and fraternity of the DEMOCRACY we have finally won.

We say the same thing of the military. After the use of arms by the mob, after the destruction caused to our NATION by people who were deformed by military service—after these shameful realities a good and courageous Nicaraguan soldier must think—for his own prestige—of a word often used in the military lexicon: HONOR.

The honor of Nicaragua has been sullied. We have always been called the people of Dario or the people of Sandino: two heroes who thought and acted with intelligence and who left us as their legacy HARMONY and DIGNITY, so we could continue to create the destiny of our nation. Instead, we have given the spectacle of a horde of gorrillas, intent upon a single slogan: DESTRUCTION!

An honorable solider must also think about these burned trucks and that accusing and anachronistic statue dedicated to the culture of sacrilege and death.

* Commentaries Define, Condemn 'Somozism'

* 'Somozist' Laws Described

92CA0047A Managua BARRICADA in Spanish
15 Nov 91 p 3

[Commentary by National Directorate member Bayardo Arce Castano]

[Text] The president is right in her view that to accept the existence of Somozism in Nicaragua is an insult to the Sandinist Front itself, but she does not realize that some do believe it.

She is also right to think that "to try to return to Somozism is an unacceptable offense to the memory of Pedro Joaquin Chamorro" and that his name must be added to the list of Nicaraguan heroes and martyrs.

However, she is mistaken when she states that to speak of fighting Somozism in the 1990's is to affirm erroneously that there was never any revolution in Nicaragua. The Sandinist Front and most of our people did indeed fight to the death against Somozism and defeated it.

It is nevertheless also true that representative elements of that group fled the country and regrouped abroad to wage the counterrevolution which the Reagan Administration so vigorously promoted, involving large sectors of the rural population in a war that bloodied Nicaragua for nearly a decade.

She is therefore wrong when she thinks: "We must not speak about fighting Somozism" now because it is precisely her government that must be on the alert for such a threat and remain ever vigilant so that the people and future generations will never again live through that nightmare.

The president should open her eyes and realize that by shielding themselves behind the policy of national reconciliation and the consolidation of the freedoms and democracy which the Sandinist Revolution gave the country, the survivors of Somozism, most of whom have been lying in wait in Miami, are now trying to revive it.

It is important for her to reflect upon the ambitions I shall immediately outline so that she may realize the threat of a return to Somozism and join with Sandinists in preventing offenses to the memory of Pedro Joaquin like those they have already tried to commit in the case of Carlos Fonseca.

1—A return to Somozism would mean that all those whose property was seized in accordance with Orders 3 and 38 signed by the president when he joined the National Reconstruction Government Junta, and those who lost their properties as the result of action taken by banks when they refused to pay the people's money, will now have those properties restored to them and will be able to rebuild their economic power in the new Nicaragua gratis.

2—Somozism would return if the action urged by members of the brand-new association of expropriated persons were to succeed and which the reactionaries headed by Alfredo Cesar in the Legislative Assembly have turned into Bill 133. Thousands of Nicaraguans who benefited from the revolution that democratized Nicaragua economically would lose their land, homes, tractors, trucks, pickups, and taxis. There would be a resurgence of the wide social gap which Somozism creates between Somozist oligopolistic groups and an entire people with no way to survive except the poorly paid jobs the latter would give them.

3—We would return to Somozism if the "neo-blue shirts" should manage to abolish the Sandinist People's Army (EPS), a guarantee not only of sovereignty, but of national stability as well. If attempts to behead the Police and place budgetary restraints on them should be successful, while the former leader of the Somozist Liberal

Student Front (FEL), Aleman, sets up his "municipal police" and "JCOP," then the people would once again find themselves at the mercy of the bullets and gun butts of Armed Forces quick to defend the boss's property.

4—It would be Somozism to turn over the development of natural resources to foreign companies once again, companies in partnership with the new Somozist oligopolistic economic power, leaving the workers with silicosis and tuberculosis as a result of the government's failure to exercise control over that development if, for the sake of the blind application of neoliberal economic formulas, we were to privatize education, health, and basic supplies and the people were to return to ignorance, endemic diseases, and hunger for failing to be "competitive" in their demand.

5—We would be living under Somozism if we were to pass the constitutional reforms promoted by a sector of UNO [National Opposition Union] and if Nicaragua were to cease being multiethnic, erase from the preamble the revolutionary heroes and martyrs, and upset the legal order by which the democracy that made her election as president possible was achieved.

6—Returning to Somozism would be to declare the Sandinist Front illegal and to jail Daniel Ortega once again for 30 years.

As one can see, if all these things were to happen, it would mean a return to Somozism. The threat surfaces in government when a militant Somozist such as Aleman is named by the Executive Branch to the Housing Bank or when a tax plan is passed without any control whatsoever in order to finance a national political campaign.

Somozism has free rein when a judge such as Garcia Esquivel, who once sent anti-Somozists to jail, can now act with impunity to set up companies for drug traffickers, when a Mejia Ubilla, who handed out land to Somoza's guards and associates, can threaten Sandinists with the sentences once imposed by his old chief.

This is why we Sandinists speak of fighting the return of Somozism. Consequently, such a proposal was made to the representatives of her government in talks with the National Directorate, in the hope that the government would support us through actions aimed at defeating it within the framework of the constitution and a state of law.

Nor is it a question of eliminating those who were Somozists, but rather, of preventing them from rebuilding the system, sparing Sandinists and the people from being pushed into resorting to the same solution again.

* 'Somozist' Policies Viewed

92CA0047B Managua EL NUEVO DIARIO in Spanish 22 Nov 91 p 4

[Commentary by Ramiro Rodriguez]

[Text] Despite what the president has said, we must be clear about Somozism in Nicaragua. Recognizing the threat of a return to Somozism, imbedded in the government, is a fact. If we do not recognize this premise, we shall not be able to prevent its development in society.

In order to have a better understanding of the situation, let us outline what Somozism means. Somozism is administrative corruption. It represents the use of government posts and influence in order to develop private business for one's personal or family benefit. Many cases are occurring in the government and have not been denied, reflecting a disproportionate squandering of government resources on private business. An example of those most recently involved: Ibarra and Vidaurre.

Somozism is a violation of the constitution. The ambition of Somoza and his associates, even in internal lawsuits, managed—with the complacency of the bloodsucking opposition—to change those aspects of the constitution that were opposed to their plans: relinquishing control over natural resources, applying for loans not used for the stated purposes, and so on, re-election, and the distribution of magistracies. Assembly presidents brought pressure to bear so that what was deemed "desirable" would be supported.

For the majority of the people, Somozism means exploitation and poverty. It means the establishment of minimum starvation wages for peasants and workers and the setting of artificially low prices on articles comprising the basic food basket so they may be used in determining minimum wages. It seems to agree with the action of the current government.

Somozism means fewer social benefits for the people. It means reduced budgets for education and health and, naturally, fewer possibilities of increasing the number of hospital beds and less free medicine. Education and health problems are solved through private consultation and schools. Where is the government headed and who is behind that policy?

Somozism means surrendering sovereignty to vested interests in the United States and financial transnationals such as the World Bank, IMF, and others. Who is imposing these programs on the government? What is the price paid to obtain loans and in what will they be invested in 1992?

Somozism means engaging in dialogue, reaching agreements and not keeping them. Many agreements have been reached through dialogue with workers and the National Directorate, concertation in its two phases. How many, which ones have been kept?

Somozism means the proscription of political ideas with "exotic ideas" offering benefits to the people. It means persecution for Sandinists. What is happening now? Who wants to judge and jail the general secretary of the Sandinist National Liberation Front? Who wants to proscribe this country's strongest and best organized party, the FSLN [Sandinist National Liberation Front]?

Somozism means repression of the workers and persecution of labor leaders. Who oppresses the workers demanding wage improvements and better working conditions?

Somozism means the existence of paramilitary groups that single out and assault the opposition. Somozism means attacks on the people's monuments and heroes. Who attacks Sandinists, blows up mausoleums, and tries to erase the names of the people's heroes and martyrs, all because they are not "bluebloods" and were not educated at INCAE [Central American Institute of Business Administration], Yale, or Harvard?

Somozism means stripping the peasants of their land and the reign of landowners. Who is it that now wants to evict—and has done so—peasants and cooperatives from their land? Who introduces laws attempting to steal the people's constitutional right to own a house, such as Law 133?

Somozism is the existence of an army that is the people's enemy and that unconditionally serves the powerful. That is why they hate and want to dismantle the EPS [Sandinist People's Army] by any means, even low budget appropriations. Let us respect our Sandinist People's Army and our National Police.

This is vile Somozism. We do not want it and will fight its return. The people fought it and these same people maintain the spirit and decision to fight to prevent the development of cells within the government.

The message of the Sandinist Assembly must be understood in the fight for freedom, peace, justice, work, and bread, land for the peasants and the strength of the FSLN in its unity with the people. It is within this context that we can correctly interpret the FSLN's willingness for dialogue with other sectors.

We must be inflexible in this. To provide an opportunity for dialogue and compliance with accords is to do justice to the martyrs of the revolution, to the people's heroes who have savored the delights of freedom, organization of the people, and direct dialogue with our comrade leaders.

Good for the Sandinist Assembly. We ask them to be inflexible in the face of the lack of compliance on the part of the government and other sectors. The people will accompany us as long as we defend their interests, and those interests go beyond any barrier based on personality cults.

We shall never fail the people or our nation, with Sandino, Carlos, and German. Our war cry of "A Free Country or Death" is valid in the fight to achieve a consensus in order to legislate for the common good.

Somozism is anti-Sandinism. No to Somozism!

18 November 1991

* Editorial Urges Chamorro To Define Goals

92CA0045C Managua EL NICARAGUENSE in Spanish No 49, 8-14 Nov 91 p 4

[Commentary by Gustavo Narvaez]

[Text] All Nicaraguans have been struck—and hurt—by the presidential attitude of Violeta Chamorro, which is in marked contrast with what we had all hoped for as we emerged from the political confusion and placed our x's in the winning box. We never expected such conduct; on the contrary, we thought we were embarking upon a national phase of democracy, justice, and respect for human rights.

However, this government has sown the seeds of anguish, personal insecurity, lack of respect for property, nepotism, family clannishness, and cronyism. The free market and free enterprise system have been set up more to benefit those "in" with the government than the ordinary citizen. Government-owned enterprises left by the Sandinists continue to be divided up by the latter and "buddies" of the regime. So it is that history repeats itself. Riots, illegal strikes, boycotts, and blackmail: all so clumsy and manipulated by the cliques that "rule" law enforcement agencies that one cannot help concluding there is government complicity (perhaps to strengthen the communist ideology and consolidate the defeated FSLN [Sandinist National Liberation Front]), which would amount to a veritable betrayal of the people who risked (and in many cases gave) their lives to effect total change.

The shift made by the government even before it took power is incredible, allowing the Sandinists, as it did and without any resistance or condemnation, to feather their nest with government and private property, using the nation's laws and awarding themselves privileges they had never before known!

Then what was Violeta Chamorro's purpose in agreeing to be a candidate, first of all, and later, when the majority of the people won the elections, our nation's president? What are we to infer from her choices to fill Cabinet posts and the most important slots in government? What are we to think of the Transitional Protocol? And what of the National Dialogue that has solely benefited Sandinists and their humble servants? What are we to believe about her Reconciliation policy which, in the final analysis, means forgetting about the changes we all long for?

Our nation's president should be candid with her people and sincerely express her feelings, real objectives, and ideological affinities because nothing could be worse than uncertainty. Only in that way will we know once and for all if this country is viable, if we can truly believe in the establishment of a state of law for everyone and not just for Sandinists.

Now then, those doing big business with the government's protection and its enterprises and without a

thought for the starving, unemployed, sick, illiterate people are once again making a big mistake. Or, perhaps what is truly important to them is simply to make money and more money, exchange it, and take it to Miami, leaving the political gains to be made from this situation to their own enemy and providing him with the real possibility of renewed access to formal power, when we had all rejoiced thinking that we had once and for all destroyed the inhuman communist ideology of the FSLN.

Have they already forgotten 1979? And 1980? Have they already forgotten an entire bloody, misery-filled decade? Have they already forgotten that the Sandinists said they would destroy the capitalists using their own resources? There is a huge role to be played by COSEP [Higher Council of Private Enterprise] and its chambers in heading up the effort to put these twisted circumstances right. Let us hope that businessmen and producers will be blessed with sudden understanding and that mankind will reveal itself in this way. And let them not be duped once again by the Sandinists and their accomplices.

In the final analysis and as a recommendation for carrying out effective justice, if democracy should impose its rule, our president should consider that just as the Sandinists "demand" the return of "occupied" territories to the Arabs (which is highly debatable, historically speaking), then we can all the more rightly demand that they, the Sandinists, restore to their legitimate owners the properties they have occupied. What is good for the goose is good for the gander.

* Government Corruption Hampers Economic Progress

92CA0045A Managua EL NUEVO DIARIO in Spanish 19 Nov 91 p 4

[Unattributed commentary: "Thieves in Coats and Ties"]

[Text] Government officials are used to blaming Sandinists for the fact that economic recovery programs are not moving forward with all due speed and for the danger that international banks and countries providing cooperation may in the future refuse to continue supplying Nicaragua with the aid we so badly need.

They specifically point to social instability produced by strikes and occupations by labor unions, Sandinist, naturally, inasmuch as the others generally remain supernumeraries of the government, except for the odd protest that does not even kick up one grain of dust.

Government officials naturally remain silent about violations of agreements, the spurning of workers, blackmailing and repression of trade union organizations, not to mention the high rate of unemployment or gradually increasing cost of living, problems which, either individually or collectively, are elements that would destabilize any country in the world.

Nor shall we speak of the incessant, provocative work of extremist rightist reactionaries adding fuel to the fire.

Political and social tensions are explainable because we live in a country that has only barely emerged from the armed confrontation we experienced in the past decade. Furthermore, any fire leaves live coals that must be put out, and yet....

"How is one to explain the blatant corruption in ministries and government-owned enterprises committed under a government which began under the slogan 'Revolution of Honor'?"

They accused the previous government of corruption and, without denying that there were indeed cases of dishonest officials, the truth is that this government has won the toss, as they say in baseball jargon, because it is difficult to find a single honest niche in all the machinery of government.

We shall not even mention the corrupt spots because the written and spoken press daily publishes reports of theft, abuses, misappropriation, and other crimes against the people's property, so many in number that we truly have the impression of having fallen into the hands of an outrageous gang of crooks bent on stealing as much as they possibly can in the least amount of time possible.

Our question... this not discredit us? Are they not endangering our ...rces of outside financing? Are we not sinking deeper an... deeper into poverty?

We must free the petty thieves and jail the crooks wearing coats and ties.

* Reconciliation in Disarmament Brigade Described

92CA0045B Managua BARRICADA in Spanish 18 Nov 91 p 5

[Article by Juan Ramon Huerta]

[Text] Matagalpa—We are witnessing the most controversial ideological hybrid which, insofar as color, shape, or any other possible mixture, anyone in the political history of the country could possibly have invented.

In operational and political terms, it is called the "Special Disarmament Brigade" and it is made up of persons who scarcely a week ago were exchanging shots: the "recompas" [demobilized soldiers who have taken up arms] and "recontras" [former Contras who have taken up arms].

Two groups that were previously like oil and water have now been brought together. Nor is it a mere rapprochement. They smoke, eat, play, train, and sleep together, all part of a combined team under the institutional hegemony of the Sandinist People's Army (EPS).

The command post is located where years ago there was a special unit formed to fight the counterrevolutionary forces bearing the name of Sandinist hero Filemon Rivera.

The base was set up by small units. "We had to modernize it, clean bathrooms, put in plants, and paint the huts to make it comfortable and adapt it to a very special unit in terms of members," said one of the EPS officers to be in charge of part of its members.

The first to arrive were the recontras, who, only a few days after their arrival, protested the presence of former resistance leader Benito Bravo ("Mack"), who would reportedly be a member of the brigade's chain of command.

"That man has sold out to the people of Managua and we want nothing to do with him," said the recontras who for several days speculated about how they would react to the arrival of their rivals, the recompas.

"It was a difficult process, one never before experienced in our ranks," EPS officials at the base admitted.

The closest thing to it dates back to the time when small groups of persons breaking away from the resistance joined the army to fight their former comrades, but these were isolated and generally individual cases.

"We never had coexistence between soldiers from the two sides, nor would we ever have suspected that a combined unit would be set up," said some of its members.

Arrival of Recompas

It was scarcely a week ago and only the surrounding mountains and EPS officers witnessed the tension that reigned, "the project's test of fire," as command officers labeled it.

The first time they were brought together in formation, tension was palpable in the air. "The recompas did not want to come, moved to the outskirts of the base, and sometimes gave the impression of trying to escape to go back to their comrades in the mountains," according to a report from Samuel, one of the members of the new team.

The minutes dragged on interminably and time refused to pass. Only darkness would determine whether they could actually get along, since they had to eat and sleep in the same areas, officials recall.

They report that the recompas tried to "camouflage" their weapons as "means of security," but they were detected in time and it was necessary to explain that they would now answer to a new chain of command for which they would not need concealed weapons.

EPS Mattresses

Nor did the recontras escape the tension and when bedtime came, they found they had mattresses marked EPS. More than one yelled, "What is this?" Furiously turning the mattresses over, they found to their surprise that the other sides were marked EPS also!

Some fought over upper and lower bunks and refused to sleep on an equal basis. "We had hundreds of meetings to iron out every one of these details and everything was settled by joint agreement," Samuel recalls.

Small groups formed, but cigarettes and lights finally broke the ice. The first to approach "enemy" groups were labeled "joiners," but soon all were joiners.

"Now differences are solely ideological. We respect each other's ideas and positions and we are all part of the groups. We trade cigarettes and jokes," both admit, after a process that all agree was "difficult."

The process of setting up the detachments was fair "so as to avoid splits or resentment that might endanger unity," said one Police officer in commenting on the experience.

During the formation, it was impossible to distinguish one group from the other, given their peasant faces, hands toughened by hard work, dark skin, berets worn on the side of the head, and identical uniforms. In the final analysis, they were now just men on an equal footing, separated by a society thrown into a war which, like them, seeks a pathway leading to peace.

* Sandinist Attacks on Churches Denied

92CA0046B Managua EL NUEVO DIARIO in Spanish 18 Nov 91 p 4

[Text] The bishops' message obviously did not reach the circles which should have been the first to put it into practice.

Some regrettable actions perpetrated in several churches in different parts of the country, acts which could only have been committed by insane persons or by thieves, are being laid at the doorstep of the evil Sandinists by some of the media.

"Terrorism against the Church," says LA PRENSA, while RADIO CATOLICA directly accuses RADIO YA and its director, Carlos Guadamuz, of being responsible for these sacrilegious actions. This is an obvious manipulative campaign to turn Catholics against the Sandinist media.

Are not such rash accusations a display of the language of violence? Do they not distill hatred?

What are these snipers on the far right trying to do?

It is possible that, after the failure of their attempts to stir up anarchy and with the new talks intended to achieve stability, they are now trying to embroil us in a religious type of confrontation.

Whoever is trying to do that, in addition to being irresponsibie, is criminal.

The Sandinists and revolutionary people in general are very far from being antireligious. It is actually their religious nature which makes them want to convert the words of the Gospels into a reality. While there have been disputes in the past with other religious sectors, it has not been because they do not believe in the basic tenets of the Catholic Church or of other religions, but because of political disagreements.

We are about to celebrate the traditional prayers for the Feast of the Immaculate Conception, and as always, there will be no home in which altars are not set up or prayers are not said to the Virgin Mary.

At such a time, not even an atheist would dare to destroy religious symbols. We repeat, it can only have been the actions of an insane person or a desperate thief. Such people have always existed, in all times and places. That is something that only those impelled by their visceral hatred for the Revolution can pretend not to know.

It might be helpful if the bishops would conduct a seminar on eliminating violent discourse for certain owners or managers of the "Catholic" media.

Panama

Union Group Requests Vote on U.S. Bases

PA1712200191 Panama City EL SIGLO in Spanish 17 Dec 91 p 4

[Report by Blas Julio]

[Text] "The government must pay attention to the chaos that could be created after the U.S. bases are closed in Panama and thousands of Panamanians are dismissed," Ray Bishop, secretary general of Local 907 [Armed Forces Employees Union], stated recently.

Bishop and Legislator Leo Gonzalez preside over the recently created Committee for the Popular Referendum on U.S. Military Bases [Comite Pro Consulta Popular Sobre Bases Militares Norteamericanas] in Panama. They have written the following manifesto to the country. It should be carefully analyzed by the public. The text of the manifesto is reproduced below:

"The worst economic and moral crisis in our entire history is ruthlessly affecting and punishing our people, particularly the poor, who make up the vast majority of Panamanians. The unemployment rate is rapidly increasing. Thousands of young professionals who graduate each year are unable to get jobs, or are forced to take jobs that do not match their levels of culture and education. Thus, they must resign themselves to earning salaries that barely allow them to survive. Those who are able to emigrate, do so. This results in a drain of national talent. Meanwhile, others who are less fortunate and have fewer possibilities are forced to engage in criminal activities, thus becoming the scum of our society because of their need to survive.

"Given the chaotic reality that is undermining the pillars of the Panamanian family and of society in general, the discussion on the advantages of the presence of U.S. military bases in our territory has again surfaced. As expected, the opportunist ultranationalists who have aligned themselves with the ranks of a noisy and aberrant minority have raised their voices. This affects a majority of people, who remain silent because they do not have access to the media in order to express their views.

"The curious thing about these aberrant and noisy minorities, who have the economic means to use the media to express their demagogic views openly, is that they have their party and ideological foundations in European and Euroasian superpowers. These superpowers could plan to expand their areas of influence to the Panama Canal in order to control world maritime commerce after 2000.

"These aberrant and noisy minorities, who claim to have the monopoly on nationalism and public opinion, maliciously conceal that countries from America, Europe, the Middle East, and Asia, which have a nationalist tradition dating back many centuries, allow military bases in their countries. Such bases operate in accordance with bilateral treaties or agreements that do not affect their national dignity and neither limit nor undermine their rights as free, sovereign and independent nations.

"Consequently, respectful of the will of most Panamanians, we formally request that a popular referendum be held in order to establish clearly whether or not our people deem it convenient to maintain the presence of U.S. bases in our territory. Holding such a referendum is a right and an obligation established in our constitution. Aware of our difficult fiscal and economic situation and without any perspectives for a miraculous recovery, we propose that a referendum on the convenience to negotiate the presence of U.S. military bases in our country—based on the understanding of the norms of mutual respect among free nations—be held as part of the plebiscite or referendum to approve or reject the constitutional amendments.

"In doing so, we would practice the democracy that we endorse; our people would have the opportunity, through their secret and direct vote, to issue their real verdict, without opportunist and electioneering intermediaries. Some of these opportunist intermediaries seem to fulfill extracontinental secret slogans that are the antithesis of the false ultranationalism of those who want to impose their will over most of the people."

[issued] Committee for the Popular Referendum on U.S. Military Bases

(signed) Ray Bishop, acting president

(signed) Legislator Leo Gonzalez, acting vice president

Decree Declares 'Day of National Reflection'

PA1712163991 Panama City Circuito RPC Television in Spanish 2300 GMT 16 Dec 91

[Text] The executive branch has declared 20 December [anniversary of the U.S. invasion of Panama] a Day of National Reflection and has ordered all national and municipal public offices throughout the country to close on that day.

Because of the type of services they provide and their special shift work, certain offices are exempt from this order and will continue to provide their services. These include the Balboa and Cristobal ports, the National Railroad, the National Institute for Hydraulic Resources and Electrification, the National Water and Sanitation Institute, the National Institute of Telecommunications, the heaith centers, the post offices. Banks will operate according to the schedule established by the National Banking Commission.

Editorial on 'Day of National Reflection'

PA1712223191 Panama City LA PRENSA in Spanish 17 Dec 91 p 1A

[From the "As of Today" column]

[Text] Regardless of individual opinions, 20 December 1989 will remain in the minds of all Panamanians. Some will remember the date with the bitterness of defeat, others with the relief one feels after waking up from a long and horrible nightmare. At any rate, no one will forget it. Perhaps that is why the government has decided to observe the anniversary of the invasion as a "Day of National Reflection," urging everyone to think about the causes and consequences of the military dictatorship that usurped all powers for over two decades and trampled on everyone's rights. This reflection is necessary to prevent the same conditions from arising that made the most tragic day in our Republic's history inevitable; it is the best way to prevent something similar from happening again. Closing government offices, however, does not help the cause of national reconstruction. What Panama needs is work, production, and effort to pay the terrible price of a hateful and corrupt past that will burden the economic, political, and moral future of the country for a long time. Just as private enterprises and some essential public services will function normally, all government offices should do the same. After all, who says that contemplation is incompatible with work? On the contrary, if we truly devote ourselves to focusing on the meaning of the anniversary, we should work much harder to surpass the pitfalls inherited from the past.

Argentina

Menem Returns From Brasilia, Mercosur Summit

PY1812011091 Buenos Aires TELAM in Spanish 2340 GMT 17 Dec 91

[Text] Buenos Aires, 17 Dec (TELAM)—At 2040 today President Carlos Menem arrived here from Brasilia at the end of a working tour that included Austria and Brazil.

The president was met at Ezeiza International Airport by Senator Eduardo Menem, Interior Minister Jose Luis Manzano, Health and Social Action Minister Julio Cesar Araoz, Communications Secretary Raul Burzaco, and by Maria Julia Alsogaray, environment and natural resources secretary.

New Air Force General Staff Chief Installed

PY1712171791 Buenos Aires TELAM in Spanish 0203 GMT 17 Dec 91

[Summary] Buenos Aires, 16 Dec (TELAM)—Air Force Chief of Staff Brigadier Jose Julia installed today Commodore Jorge Alberto Goyogana as the new chief of the general staff replacing Commodore Juan Carlos Fernandez.

Brazil

President Collor Assesses State of Nation

PY1712224291 Rio de Janeiro Rede Globo Television in Portuguese 1200 GMT 16 Dec 91

[News conference by President Fernando Collor at Planalto Palace with foreign and domestic reporters—live]

[Excerpts] [Collor] Good morning, ladies and gentlemen. Considering the approaching end of the year and the presidential agenda—which provides for no more opportunities before 31 December because of the many activities that already have been scheduled—I decided to invite you to a talk today. I could not let this year go without granting a news conference to all the media accredited to Planalto Palace in order to clarify doubts, answer questions, discuss local and international issues, and also convey to all of you my wishes for a Merry Christmas and a Happy New Year, in case we do not meet again before the end-of-year celebrations. Now I am ready to answer your questions.

[Candanedo] Rafael Candanedo of the Spanish news agency. Mr. President, a common occurrence this year has been the number of charges that have been leveled about irregularities within the government. Last week, the governor of Bahia—who is a major politician—even mentioned the possibility of a cabinet reshuffle. Today, the new chairman of the TCU [National Accounting Office] spoke about the difficulties that have been encountered in implementation of administrative reform, noting that the reform has removed all specialists from auditing offices. I would like to know your expectations for the improvement of that situation.

[Collor] Well, I would first like to reaffirm the government's absolute support for openness and total austerity in the management of public affairs and public funds. Obviously, our system does not have permanent supervision to prevent mistakes; yet if mistakes are made, the government must operate the way it is now, in an open, transparent manner to inform people about irregularities at various government levels, and about the measures that have been adopted.

Many of the measures that were enforced in the federal administration were adopted at the government's initiative. This shows our full commitment to the primary objective of promoting the participation of society as a careful supervising factor in the three levels of power: the federal, state, and municipal governments.

What was the objective of the administrative reform? When in March 1990 we set in motion the reform—which is achieving its objectives—we aimed it at reducing the size of the state, the state apparatus, so that control mechanisms could be concentrated in fewer areas, for example, in fewer ministries and with fewer activities.

Obviously, an administrative reform does not conclude the day it is enforced. Its implementation must be permanently observed in order to improve it and make it more efficient, so that it may fully achieve its objectives.

As I said, those objectives already are being attained. As for internal supervision within the executive branch, we submitted to Congress a bill with a message that seeks to strengthen the so-called Ciset [Internal Control Secretariat], which is an internal control procedure that the executive branch has for supervising the various ministries and their activities.

We are therefore waiting for the approval by Congress of the so-called expanded Ciset, which will strengthen our control mechanism.

At the same time, the Attorney General's Office is operating with greater efficiency and rigor. Considering that it is under exclusive presidential jurisdiction, I assigned his current functions to the attorney general, who also has operated as sort of an eye of society, because he has helped the government in its effort to manage public affairs with openness and total good faith.

We also usually have resorted to the TCU for clarifying doubts and resolving some pending issues.

Consequently, everything is working. Obviously, it is normal for things to happen this way in a democratic, open regime. That is, it is normal for mistakes—whatever their nature—to be reported. Many times reported errors are not as serious because they were

initially reported. Yet, it is the government's duty to do what it has done in order to, once and for all, clarify all such points.

Society obviously does not become aware of many occurrences in oppressive regimes without press freedom, in which Congress does not enjoy its full powers, in which there is no strong judicial branch, and in which there is no active labor movement.

We are experiencing a democratic process, and we have to consolidate our democracy even further. Democracy is strengthened by daily democratic practice. Everyone has the healthy duty, the healthy...[changes thought] even the duty to criticize, to exercise that right. This applies to everyone without exception, including those who have not paid the bill.

[Lorena Reis] Lorena Reis of AFP. In talks with several Southern Cone businessmen, I noticed that they are very concerned about the Brazilian economic situation. What do you expect from the council's [title as heard] first meeting here in Brasilia tomorrow? How will you assure the Southern Cone countries about Brazil's economic and financial prospects, especially regarding next year, when the predicted economic growth will be nil?

[Collor] The creation of the Common Market of the South, the Mercosur, is a great achievement. Its creation means that before 1994, four countries—Argentina, Brazil, Paraguay, and Uruguay—will be entirely integrated. No borders and no trade or customs barriers will separate them. What is the goal of this much-discussed economic integration? Economic integration means to seek effectiveness for our industrial sector, to lower our costs, to create benefits for the continent and specifically for the Southern Cone region, and to improve the daily lives of our people, who will have the possibility of buying better and less expensive products.

This is a huge task and requires many changes, including economic changes that already have begun in these four countries. Brazil also is seeking quick ways to stabilize its economy, to have reasonable levels of inflation, and to resume growth by ending its public deficit. This is what we are seeking. To achieve this integration, the situation in the four countries must be balanced. They, naturally, must control their inflation, their public deficit, their trade balance, and the servicing of their debts. The important thing is that we are all pushing in the same direction. Tomorrow, we will welcome the Argentine, Paraguayan, and Uruguayan presidents, and will deepen our discussions to ensure that by 31 December 1994, Bolivar's [18th century Venezuelan general and statesman] ideal of Latin American integration will become a reality. This integration already has begun in the four Southern Cone countries.

[Lilian Oliveira] Lilian Oliveira of JORNAL DO BRASIL. Good morning, Mr. President. So far, none of the Big Project measures has been approved. Do you still believe that the country will become ungovernable if these measures are not approved? Do you intend to have some of the measures contained therein, such as the opening of the economy, taxes on fuels, and the home mortgages policy, approved in specially summoned congressional sessions? Will the government accept rescheduling state government debts to obtain the approval of the fiscal adjustment, thus agreeing to what the economic team itself called blackmail?

[Collor] The....[Collor changes thought] Regarding the strong term you have employed, the economic team asserts that nothing similar has been used to define the ... ahhh ... talks being held at the National Congress to obtain approval of measures that are demanded by the fiscal adjustment and the rescheduling of the state government debts.

Regarding the Big Project, the amendments already have been submitted to Congress and now are being discussed by the various committees. These amendments could not be debated in a congressional plenum because the congressional agenda already was full. Each amendment must be voted on in the Chamber of Deputies and the Senate twice. In addition to that, for their approval, at least three-fifths of the congressmen must be present. These requirements made it impossible for Congress to debate and approve these amendments during the current congressional season. We hope that these amendments will be debated by the legislative branch before July 1992.

These amendments indeed are important, extremely important, because they free our Constitution from certain limitations. Although quite new, our Constitution still hinders the overall modernization of our economy. Our Constitution's chapter dedicated to temporary resolutions includes an article that admits that certain mistakes were made during the drafting of the Constitution and sets 1993 as the date for a constitutional review—including a plebiscite to confirm the type of government to be implemented in the country. Certain articles, however, must be amended before that. Some minutes ago, we were discussing Latin American integration. One of the basic aspects of this integration is a broader opening of our economy to foreign capital. We realize that competitiveness in obtaining these foreign funds is greatly increasing. Our Constitution, however, restricts the participation of foreign capital in our economy. Foreign investors increasingly are demanding [passage indistinct] while our Constitution prevents us from attracting these investors, who are indispensable for Brazil to resume its growth and thus be able to meet current challenges, particularly in the social area. [passage omitted]

[Amaral] Sergio Amaral of SBT [Brazilian Television System]. Good morning, Mr. President. In connection with the economic policy, here at Planalto Palace I heard the following statement: The president is making a strong effort to fight inflation and he does not care for popularity polls.

As a matter of fact, the policy of recession does affect the people. For the time being, however, indications are positive. Yet they are only the first indications. This has barely begun. How long will it be possible to maintain a recession? How far does the government plan to maintain a recession without jeopardizing businessmen, who can be hit even harder than workers?

[Collor, laughing] My friends, I believe that the important thing is to persevere. We cannot give up our efforts while in the middle of the road. It is more or less like a person who wants to climb a hill. He begins to climb, and when he reaches the middle of the hill he feels a bit tired, he looks at his fellow climbers and thinks: Damn it, we are so tired! Let us return. Let us not get to the top.

If he gives up he will return, and he will later find out that he did not do what he had to do, that is, he did not reach the top—the key objective—and he will have to start all over again.

This is an example that could be used as a comparison with the current phase of our economic program. We have already sacrificed a lot. All of us have. Society as a whole, workers, retired workers, everyone—every one of us—even businessmen have. All of us, society as a whole is making a big sacrifice.

Yet we cannot give up, friends. This is not the time for surrendering to pessimism and disappointment, because pessimism and disappointment are not consistent with the Brazilian spirit. We have always been optimistic; we have always had broad, all-encompassing expectations for the future. We have always had faith in ourselves. [passage omitted]

My only concern all day long is to work and to manage the country, overcoming obstacles and reactions which, as everyone knows, are strong, really strong. I am now seeing the reactions to matters like the CIAC's [Integrated Center for Assistance to Children]. For God's sake! A program like this, which the federal government is implementing! It is an extremely courageous program. What is its purpose? It is to take care of the dramatic situation of our children, who are starving, taking drugs, degrading themselves, becoming criminals, for God's sake! [passage omitted]

In addition to taking care of the construction of CIAC facilities, the federal government pays 60 percent of CIAC's maintenance expenses. That is, by doing that, the federal government frees state governments—who are responsible for high school education—and municipal governments—who are responsible for elementary school education—from the need to make investments. Consequently, state and municipal governments can use funds for improving teachers' salaries. To claim that funds are being brought from other areas for investment in CIAC is not true. What we did is exactly the opposite. We are more efficiently managing those funds. [passage omitted]

For God's sake, I do not understand the reason for this campaign against CIAC! It is a campaign against children, it is a campaign against our future. What I want—like all those who are at home listening to me—is to help that large number of children who are on the streets, without a future and without hope. I believe that those who are against CIAC are perhaps not well informed. I am almost convinced that this is the case. We should give broader explanations about CIAC. I would like to invite everyone living in Brasilia—and throughout the country as of next year, when, God willing, CIAC's will be located throughout the country—to visit the CIAC's and see the work being done, the enthusiasm of male and female teachers. [passage omitted]

[Liliane Cardoso] Good morning, Mr. President.

[Collor] Good morning.

[Cardoso] Liliane Cardoso, TV Manchete. The executive secretary of the Economy Ministry has recently said that the government is planning to enforce measures to reduce the effects of recession on the lower income brackets. Please report on those measures. I also would like to take advantage of your previous answer in connection with the CIAC. Who would be interested in a smear campaign against the CIAC? What is the reason for such a campaign? Please give us names.

[Collor] No, I have no idea. I do not know who would be interested, because I believe all of us are concerned about children. [passage omitted]

Concerning social programs, we would like to once again clarify to all the people that my government's objective does not focus on economic factors.

Plain people may say: Well, they say there is stabilization, economic growth, which is a complicated word like economic growth, public deficit, negotiations with the IMF.

This cannot be understood by a vast majority of the people, who might think like this: I wonder whether the government is planning to do only those things that I cannot understand.

No, my friends. Those are the instruments for reaching our objective, which is to reduce the wide social inequalities that today more than ever are a source of concern for the government and for us all. [passage omitted]

All economic reforms have a single objective—to obtain funds for reducing current social inequalities in Brazil, and for meeting social demands, that is, for giving parents decent schools—as we are doing through CIAC—education, health, housing, infrastructure, transportation, and security. That is our final objective. [passage omitted]

[Duarte] Mario Nelson Duarte, Radio Globo. Mr. President, I would like to return to a previous question posed by a colleague. I would like you to give us further details

on whether Congress should be called to a special session, because there are some provisional measures that must be approved, and if not, they must be reissued. For this reason, a special congressial session will be necessary. And if you are also foreseeing a provisional measure to grant salary increases to government employees, it will also demand a special session. But my concrete question is this: You mentioned the exchange issue very briefly. But we are experiencing a moment when the three exchange systems, that is, the tourism, commercial, and parallel exchange systems, are closely related to each other. Exporters believe that this is the time to make a real and legal unification of the exchange system in Brazil. How do you view the exchange situation today, within a general context of the economy, of imports and exports, and do you have a specific project to unify all exchange systems and exchange rates?

[Collor] No. We do not have any specific project to adopt a single exchange system, or a single dollar exchange rate. What we are observing in relation to the paralell and the official dollar exchange rate is one of the incorrect expectations of some. I do not know whether you remember when on that fateful week, on that Tuesday when they strongly speculated on our reserves, because they wanted them, they argued that they did not want a shock treatment or a new economic plan, but at the same time they tried by all means to force the government to adopt a measure called heterodox from the economic point of view. Thus, they bet strongly on the gold and the dollar, which pushed the dollar rate to more than 1,000 cruzeiros, and caused a panic within the finacial system. And thus we simply decided to leave the market. And today, the difference between the commercial and parallel market is the lowest attained so far. [passage omitted]

My advice to the people is to wait, because prices are dropping and will continue to drop. I heard a businessman say to the economic team that if during the first half of December we do not manage to sell our products, we are going to drop our prices 10 percent. If in the second half we continue in the same situation, we are going to drop prices by 20 percent. And on the days between Christmas and New Year's Day, we are going to sell them for any price. Well, they will have to give away their stocks, or if they want to take that money at very high interest rates, which is dangerous, and if they want to bring their little money from abroad back to the country, and if they do not want to sell their stock at more accessible prices, and reduce the profit margin, the alternative will be that of bankruptcy. What we are seeing today is that there is a repatriation of those resources. They are resorting to those alternatives I have mentioned. They are using the alternative I have mentioned, that of bringing back the money they had sent abroad. And for this reason there is a very small difference between the commercial and the parallel dollar exchange rates.

Thus, to answer the question, this is a movement which I would call circumstantial and cultural. No tendency has yet been confirmed, which prevents us from thinking about the unification of rates and of the exchange system.

Regarding the call for a special session of Congress, I do not think the president will need to call for this. Taking into account the talks I had with the presidents of the Senate and the Chamber of Deputies, I have felt—although the presidents have not necessarily said so—but I felt they are willing to call themselves to a special session of Congress, to vote, if not on all issues in the agenda, at least on the budget. So I think the call by the president of the republic will not be necessary because from the talks I held with the presidents of the two chambers, I feel the call will be made only if necessary, by the presidents of the two congressional houses.

[Boni] Good morning, Mr. President.

[Collor] Good morning.

[Boni] I am Andrea Boni, of TV Globo. Returning to the corruption charges, I would like to ask a specific question concerning the ministers. The first charges were levelled against Labor Minister Antonio Magri. The charges were for fraud in the social security system. The minister lost credibility in the eyes of the public, but he came out stronger. Charges are now being pressed against Health Minister Alceni Guerra. It seems that the minister will also come out stronger. Please tell me what is happening. Are you giving a vote of confidence to Guerra, the same vote that you gave to Magri? Do you intend to reshuffle the cabinet in 1992? I would also like to ask about Vice President Itamar Franco. While you were abroad, Franco authorized a 21,000 cruzeiro salary bonus. After you arrived, you said the decision was fine. Does that mean that discrepancies between Franco and some government officials have been settled?

[Collor] As for the last part of the question, I would like to say that there are some artificial situations. Vice President Franco is strictly complying with his constitutional duties. He is my vice president, he has replaced me whenever I had to travel abroad, and he has done a fine job.

Obviously, there can be topics that can look like discrepancies with government officials A, B, or C. Yet, there are no discrepancies, but perhaps viewpoints that may be temporarily divergent until a common denominator is found through step-by-step approximation.

Just imagine what would happen if a member of a team gave his opinion and if everybody else agreed. We could not make the appropriate decision. The proper decision is made on the basis of discussion and debate.

It is like setting guidelines on television or in newspapers. What does the man in charge of setting guidelines do? He comes and he discusses, right? He says: No, this is not within today's guidelines, it is not.

This does not mean that there is a discrepancy. It means only that viewpoints are being expressed. Obviously, if

after listening to those viewpoints there is no full and absolute consensus, the decision is made by the person who holds power, who holds the Presidency. This is the case of the vice president, who made the proper decision after listening to the ministers and to congressional leaders. So there are no problems or discrepancies whatsoever in this regard between the vice president and other government officials.

Concerning the social security system, it is another issue about which I am concerned, because I do not see that the positive action that the Ministry of Labor and Social Security has undertaken to eliminate frauds is being properly reported.

The big issue within the social security system today is the fight against fraud. Fraud began a very long time ago. The Ministry of Labor and Social Security has already canceled more than 300,000 illegal retirement allowances, and we expect to reach 2 million illegal allowances. We are trying to eliminate that fraud.

As for elimination of the so-called Funrural [Fund for Social Assistance and Welfare for the Rural Worker], there were 4,000 odd agents at each municipal district. [as heard] All that was eliminated. It was a focus of corruption; it was a terrible misuse of public funds. That was eliminated. Rural retirement allowances are now being paid through the mail.

There is also the work to modernize the social security system. Yet comments have portrayed it as if it were privatization. This has nothing to do with privatization. [passage omitted]

As part of modernization, the use of magnetic cards to help halt fraud is also important.

In the past, authorization to go into retirement was issued on a piece of paper by an employee of an agency, of a branch. This gave rise to the extraordinary fraud that has occurred throughout these years.

I should also say that people have been jailed. Judges have been jailed. If the courts release them, well, that is something else. Indicted people are in jail, and investigations have been ordered. [passage omitted]

Concerning the cabinet, I do not intend to reshuffle. All ministers are working. They are complying with their duties. Errors and mistakes are made, and we will correct them at whatever level they are made, at the second, third, or fourth level of command. We will punish the guilty ones if anyone is found guilty.

We cannot take action based on suppositions, on comments that so-and-so did this and that he is guilty and should therefore be dismissed no matter what. We cannot act in a hurry. The deadlines that were given should be respected, the reports that were requested should be received, and appropriate action should be immediately undertaken.

Evaluations will be justified only after all the above actions have been completed.

[Sonia Carneiro, Radio Jornal do Brasil] Mr. President, as the last question, I would like to wish you a Merry Christmas and a prosperous 1994, because 1992 will be fine. [laughs]

[Collor, interrupting] And what about 1993?

[Carneiro] Well, 1994 was a good year. [laughs]

[Collor] No. It is not so.

[Carneiro] My question is this. I would like you to be comprehensive. Many people who are concerned about your health have been asking what is happening to you, that you are losing weight, whether it is true that you have aids. [laughs] The press has received many telephone calls asking this and many other questions. I chose one for you.

[Collor] Yeah, give us the softer one, the one that is more joyful. [laughs] [passage omitted]

[Carneiro] As you called this news conference to make a year-end balance and prospects for 1992, I would like you to give us that balance. Thank you.

[Collor] Very well. I am very happy when I hear about those concerns. [laughs] They show some sort of love for the president, some concern. I always hear people say: The president is losing weight. No one says, for instance, that [name indistinct] is losing weight. And he is losing weight. He is losing weight right in front of our eyes. He already has lost six kg. And I have not heard anyone say: [Name indistinct], why are you losing weight? Why are you so skinny? I think that my weight loss is due, perhaps, to the many activities I am carrying out. But, thanks to God, my state of health is excellent, and I also always ask God to continue to give me health and the enthusiasm to carry on this process which, as you know, is a difficult process that demands sacrifices and much dedication to work. And this is what I have been doing. [passage omitted]

My balance for 1991 is as follows: It was a difficult year, a very complicated one. I often look at it this way. I knew it would be complicated, but not so much. It was much more difficult than I had thought it would be. The situation was that of absolute chaos, starting with the process of hyperinflation, the public administration, the lack of confidence of the people regarding their future, etc. It was extremely difficult. But, as I said, difficulties, regardless of how great they may be, do not discourage us. On the contrary, they encourage us, because they teach us and strengthen us. I always try to learn from each difficulty I have to face in the government. And this lesson always brings me a message: persevere, be obstinate. Go forward, do not retreat. And I believe that things will lead naturally to a happy ending, to an extremely positive and satisfactory result for all.

Concerning 1992, it will be better than 1991, undoubtedly. But we will still have a difficult year in 1992, especially in the first half. To the businessmen and industry leaders, especially, I want to stress that there will be no more shock policy, no other economic program. The program is the same. Those who did not dare to look for more effectiveness and modernization, with basic budgets in order to compete, must try to adapt themselves. They must seek effectiveness to be able to compete. They must work and work. This is a struggle. We must work, because Brazil requires that we all unite around this single purpose of raising the Brazilian economy, to distribute income conveniently, [as heard] to reduce the social inequalities, and to build a nation of prosperity.

Undoubtedly, 1993 will be a good year if we continue persevering with the public spirit of the national Congress and appreciating the absolute need we have for the fiscal adjustment measures. This is essential, and the national Congress is aware of this. The understandings on this continue despite difficulties. I am certain that Congress also will appreciate such an important matter.

Let us continue with our process of 1992. The year 1993 will then be a better year. And 1994, I believe, will be a good year for all of us. There are positive signs for 1992, although we will have a difficult first half, but, undoubtedly, it will be better than 1991. We will have some difficulties [as heard] that will make us believe that 1992 will be better than 1991. Which are they? First, a good agricultural harvest. This means that we will have food, some 65 million tons or a little more. This is sufficient for domestic supply, and it means that the agricultural products will not put pressure on the inflation index. We have the renegotiation of our foreign debt. As you know, our proposal was well received. It was understood by the international financial community, because it was a proposal in accordance with Brazil's capability to pay, complying with the principle I established at the beginning of the campaign, of not establishing how much must be paid, but how much the country can pay. Then, it was a realistic proposal understood by the IMF and the creditor banks, and, as of the first half of January, we will have begun renegotiations with the Paris Club and private creditor banks. This is another positive point.

The denationalization process, the process of privatization that will now resume in January, initiated during the past two or three months of this year, will also continue. There are clear signs that inflation is decreasing. The fiscal adjustment, which was already assessed by the national congress and will have repercussions as of 1992, is another positive point.

The big amendment project will be evaluated by the national congress during the first half of 1992. Everything leads me to believe that the national congress will also assess the amendment proposal by the end of the first half of next year. In 1991 we adopted measures in the field of informatics, and today it is reducing tremendously the cost of the computer, which represents an increase in competitiveness in that area, which implies a greater opening in the possibility of employment and of salaries in that field.

Another important point that took place now at the end of this year is the signing of our compliance with the International Atomic Energy Agency [IAEA]. This is a historical fact. Brazil and Argentina, together, have established mechanisms of reciprocal oversight of their nuclear programs, and at the same time, joining the IAEA in its program of safeguards. This has a tremendous significance. In addition to reducing tension in the southern cone, it is another clear demonstration of our peaceful objectives and our hope for stability in the world.

We could not continue within the doubtful situation regarding the arms race. This is an extremely important and auspicious example that Argentina and Brazil are giving to the world. At the IAEA meeting, I also mentioned the fact that the developed countries are manufacturing weapons. Very well, they have 12,000 nuclear warheads, and reduced them to 6,000. But 6,000 of them are sufficient to destroy the world several times over. Perhaps this reduction, then, does not mean much, but undoubtedly it represents an important step. What we need to do is build a peace without weapons. What we had so far, with the bipolar issue, was a peace that was guaranteed by the possibility of one destroying the other. Each one was arming itself in their own manner, but they armed themselves spending billions and billions of dollars, while the social situation was worsening.

The world has been impoverished, devastated. Our ecological system has been fully annihilated, devastated. Then it was a peace guaranteed only and exclusively by the force of weapons. What we want is to build a peace without the need for weapons. The gesture of Argentina and Brazil together with the IAEA was very important for other countries to follow in this process, not only of disarmament but of accepting the discussion of investments that must be made in Third World countries.

To avoid this picture of profound inequalities not only in Brazil but in three-fourths of the world and mankind, we must reduce the extreme poverty and starvation.

Thus, what was achieved in 1991 with much sacrifice and with much effort of the entire society will have a positive result in 1992. Thus, next year, which will still be a year of difficulties, will be a year that will end in the correct direction. Our objectives in this regard are very clear, and the instruments we need have already been discussed.

We hope that in 1993 and 1994 we will be able to adopt an economic development program that will help Brazil to achieve its long-desired social well-being.

Thus, I thank everyone for their patience and work here at Planalto Palace this year. I thank you for your understanding at moments when the president's humor has not been appropriate. I wish you all a very Merry

Christmas. I admire the work you all have been doing. I have been following your work and I can feel the interest and the desire to fulfill all our tasks. I know that at times it is very difficult. I know you try to reach these objectives because you are professionals. But after all, I want to thank you for the work you are carrying out here at Planalto Palace. I wish you a very Happy New Year, a year of renewed hopes, and a Christmas with your families, during which peace, harmony, and spiritual well-being will be the best achievements. Thank you very much.

* MOB's Formation Indicative of Trend

92SM0137B Sao Paulo VEJA in Portuguese
20 Nov 91 p 36, 37

[Text] After a 10-year absence, the supraparty entities are back. Organizations such as the Brazilian Committee for Amnesty (CBA), the Brazilian Society for the Advancement of Science (SBPC), the OAB [Brazilian Bar Association], and the ABI [Brazilian Press Association] that reached their peak during campaigns such as the amnesty and the "Direct elections now!" efforts had vanished from the political scene once democratization was completed. The Brazil of 1991 has the Development Forum, the BPI [Independent Parliamentary Bloc], the BEM [Modern Economics Bloc], and the PNBE [Businessmen's National Thought]. Last Monday, at the Tuca, the legendary Theater of the Pontifical Catholic University of Sao Paulo, 1,200 people met to launch the latest of these organizations—the Option Brazil Movement, or MOB. With radio personality Osmar Santos in a reprise of his role as master of ceremonies during the "Direct elections now!" rallies, this public event was a reunion of old acquaintances. Heavier, and dressed in suit and tie, there was former metalworkers' leader Luis Inacio Lula da Silva, who had participated as a victim in the campaigns for amnesty after the military regime cited him under the National Security Law. Also making their presence known were former Minister of Planning Joao Sayad and former Minister of Finance Mailson da Nobrega—in addition to governors, intellectuals, and a lot of "tucano" [PSDB -Brazilian Social Democracy Party] politicians. FIESP [Sao Paulo State Federation of Industries] had steered clear of the amnesty campaigns, and Dilson Funaro, the best-known businessman who ever attended a rally for direct elections, has since died. But last week, Mario Amato was at the Tuca in the company of Emerson Kapaz, leader of the Businessmen's National Thought movement, a sort of parallel union for the business community.

"There is a great deal of discouragement in this country, and then there is also unemployment, misery, hunger, inflation, low wages, and economic stagnation," says the MOB manifesto. "Faced with this situation, we reaffirm our trust in the Brazilian people and their ability to build a democratic, developed, and just society." The MOB is an extremely broad front. It is composed of 34 entities, among them Jair Meneguelli's CUT [United Federation of Workers], and Luiz Antonio de Medeiros's Union Strength, the 11th of August Academic Center (which represents the students from the Largo de Sao Francisco Law School in Sao Paulo), and Sinduscon, the contractors' union. In Brasilia, the deputies in the Congress, who already have their own parties, have also been busy forming supraparty entities.

Former ministers Roberto Campos, Delfim Netto, and Francisco Dornelles have established the BEM, i.e., the Modern Economics Bloc, bringing together legislators from the PDS [Social Democratic Party], the PFL [Liberal Front Party], the PL [Liberal Party], and the PRN [National Reconstruction Party]. Another new acronym is the BPI, or Independent Parliamentary Bloc, which has the same makeup as the BEM if you take out the PFL and PRN and include the PTB [Brazilian Labor Party]. Former Governor Miguel Arraes is battling to set up the Nationalist Parliamentary Front, which would unite the PC do B [Communist Party of Brazil], the PCB [Brazilian Communist Party], the PSB [Brazilian Socialist Party], the PDT [Democratic Worker's Party], and parts of the PT [Workers Party] and PSDB. In Congress, the BEM and BPI are rounding up votes to back the administration in its proposals to liberalize the economy and accelerate the divestiture of state corporations. Miguel Arraes's front wants to revive the "The Oil is Ours!" campaign of the 1950's in order to keep the state enterprises in government hands. In Sao Paulo, the Development Forum created by Governor Luiz Antonio Fleury Filho, which will soon hand President Collor a package of suggestions for resuming economic growth, functions with more than 300 people throughout the state, including businessmen, intellectuals, and politicians.

Intentions and Results

Acronyms like the MOB, BEM, BPI, PNBE and Development Forum always pop up when the political system seems to be getting out of control. Their appearance in 1991 shows that Fernando Collor's administration has taken so many backward steps that it has become different from that of its direct predecessor, Jose Sarney, and looks more like that of Joao Figueiredo. In the past, the prestige of entities such as the CNBB [National Conference of Brazilian Bishops]; the SBPC, an association of scientists; and the OAB, the lawyers' professional organization, fed on the inability of the 1964 regime to respond to the issue of democracy. Today they are fueled by the crisis in the Collor Administration, which is unable to stabilize the economy and open up prospects for development. The MOB was launched a week after the Senate blasted to smithereens the seductive proposal to move up the date for the plebescite on the parliamentary form of government, and on the same day when the wake was held in Brasilia for the Big Amendment [Emendao], a stack of proposals from Planalto Palace intended to modernize the economy and make Brazil "governable."

"At a time when the institutions are experiencing a crisis of credibility, it is up to civilian society to find solutions

for the future," said Emerson Kapaz. The supraparty backers that met at the Tuca reached an agreement on only a few points, but they were fairly significant ones. To combat misery, they suggest that the administration abolish the taxes on basic consumer products. Against corruption, they suggest changing the tradition of holding public bidding competitions in which the winners are predetermined. And the most important point—they propose that election campaign rules be changed to prevent corruption and the influence of economic power.

At their present stage of development, the supraparty entities are experiencing the same difficulty as the Brazilian political parties—they know things are going badly in the country, but have defined neither the central problem nor its solution. In the past, the entities that were fairly clear in their objectives were the ones that were able to make headway. The Committee for Amnesty wanted amnesty, and they got it. The Committee for Direct Elections Now wanted people to be able to vote for president and although the campaign fizzled out in the Electoral College, the 1964 regime was torn to shreds by the most thorough mobilization of the general public in this country's history. The MOB includes businessmen, but has taken no position regarding Minister Marcilio Marques Moreira's high interest-rate policy. It also includes trade unions, but says nothing about the administration's vetoes of the new wage policy. Nor has it said whether the government should do something to deal with unemployment, nor whether it is time to take the economy out of the refrigerator.

Such silences could mean that entities like the MOB will be little more than agglomerations of well-intentioned people that won't get anywhere. But the fact that they are inspired by what Italian communist Antonio Gramsci called "civilian society" is positive for another reason. The new entities show that, in a country where it is commonplace to complain about the "absence of conscience" on the part of the citizens, volunteers can always be found who are able to mobilize to say what they think and pressure the government to protect what they see as their rights. Besides, it is more productive for the country that union members, businessmen, politicians, and intellectuals who love to harass each other begin talking to each other. The merits are in the attitude more than in the results. Few people embody this spirit as perfectly as sociologist Herbert de Souza, known as Betinho, a brother of the humorist Henfil. Betinho was a political exile, returned to Brazil in the arms of the Amnesty, and got involved with the campaign for immediate direct elections. A hemophiliac, he contracted the AIDS virus through a blood transfusion. Last week, Betinho went to the Tuca to say that he has faith in the future of Brazil and that plenty of debate is needed.

Chile

Minister: Honecker 'Still a Guest' in Embassy

PY1712170891 Santiago Radio Chilena Network in Spanish 1600 GMT 17 Dec 91

[Excerpt] [passage omitted] Enrique Correa, minister secretary general of government, said today that Erich Honecker is still a guest in the Chilean Embassy in Moscow. He reiterated: We insist that if he leaves he must have a secure place to go.

Legislator: Generals Involved in Weapons Shipment

PY1712181091 Madrid EFE in Spanish 1514 GMT 17 Dec 91

[Excerpt] Santiago, Chile, 17 Dec (EFE)—A Chilean deputy today said that unidentified "Army generals" are involved in the illegal shipment of weapons to the Republic of Croatia. Part of the shipment was discovered on 1 December in Budapest, Hungary.

Jorge Schaulsohn, a deputy of the center-right Party for Democracy (PPD), also criticized Defense Minister Patricio Rojas for his handling of the situation. Schaulsohn added that an investigation to be carried out inside the Army and headed by General Augusto Pinochet "offers no guarantees."

Schaulsohn said he has "reliable" information which proves that the 11 tonnes of weapons discovered in Hungary were part of a third illegal shipment to Croatia. He added that the complete operation encompassed five shipments totalling approximately 370 tonnes of weapons worth $6 million.

The legislator believes the shipment of weapons does not violate the arms law, but that it is rather "a fraud that could not have been carried out without the knowledge and the participation of Army officers." [passage omitted]

* Cardoen on Weapons Industry, Exports to Cuba

92SM0163A Santiago EL MERCURIO in Spanish 24 Nov 91 pp F1, F18

[Interview with industrialist Carlos Cardoen by Silvia Riquelme in Cardoen's home; date not given]

[Text] "The trick to doing things well is to work in a calm place where you can breathe peace and tranquility," claims Carlos Cardoen Cornejo.

And that is where he is: in the huge mansion on Calle Lyon, formerly owned by the Comandari family. Today, completely remodeled, it bears the stamp of his wife Maria Angelica Delano's good taste in decorating.

The desk that belonged to Admiral Blanco Encalada, the originals by Sommerscales and other great Chilean painters, his collection of antique weapons, the huge picture window looking out on the garden toward the fountain and the carefully manicured lawn on which the snow-white statue of Diana the Hunter stands in splendor—all are part of the working environment surrounding the indefatigable and controversial businessman. The man who, last April when his textile factory opened, announced his decision to "abandon

arms production for the most part, in favor of the higher interests of the country and a social and moral commitment."

That is why it seems strange, almost contradictory, to hear him reiterate his desire for peace and tranquillity when just a week ago, at the First Symposium of the Defense Industry, held at Vina del Mar, he exhorted businessmen to promote a nonsubsidized weapons industry in the country for export purposes.

[Riquelme] You sound like the legendary chameleon. Did you really change your mind so quickly?

[Cardoen] I have not changed my mind. I have recycled the plants in the defense industry and I have changed the emphasis of my business dealings. But I have not made it disappear. In Macul, where Industrias Cardoen operated and where military goods were manufactured, today we are making products related to the food industry: tanks for making fruit pulp, complete plants for dehydrating, and items for the dairy industry. In Iquique, the same is true; today we are making sheds for use in the Free Zone. But it would be seriously irresponsible—and the armed forces understand this—to completely dismantle a very specialized productive capacity. If tomorrow that need should arise again, God forbid, and Chile should require certain elements of defense, we are in a position to begin production immediately.

Carlos Cardoen reveals that the defense industry used to account for practically 90 percent of total production in his 12 companies. Today that figure is zero. "We are not producing anything, but that does not mean that if tomorrow the Chilean Government required our production or some friendly nation asked us to manufacture some of our defense products for them, we would not be able to respond. We can, although obviously not with our former speed or volume."

[Riquelme] Suppose you are right, and we need at some point to activate the country's potential in terms of professional and technological capacity: How long would it take Industrias Cardoen to return to the levels at which it was producing last year?

[Cardoen] To produce what we produced before, in terms of quality, a matter of days; in terms of quantity, a matter of months. That is why nothing has been discarded. We are maintaining everything, and there is a great deal of versatility in the use of the machinery. A press can make a defense item or a civilian item. Now we are producing goods for civilian use.

[Riquelme] At that same meeting in Vina del Mar, you emphasized the need to create an association of businessmen involved in the defense industry. What is the purpose of such an organization?

[Cardoen] Army Ordnance (FAMAE), Naval Docks and Yards (ASMAR), the National Aeronautical Enterprise (ENAER), and other private firms that manufacture goods for defense, all agreed that we should form a united front to deal with the problems in our sector, joining together at a commercial level all of the companies that belong to this segment of the national economy. Such an association would deal with problems arising out of deficient legislation, providing adequate supplies to our armed forces, studying and gaining access to external markets, and finally, defining strategies to neutralize in an opportune manner the pressures of hegemonic powers, which will always threaten our future national self-sufficiency in defense.

[Riquelme] In your view, what are the main conclusions that were reached at the seminar?

[Cardoen] The main thing was to recognize that it is legitimate for the country to produce weaponry. Secondly, that it is tremendously important for the authorities to define a policy regarding to whom we may sell and to whom we may not. Thirdly, that these industries must also be oriented toward producing civilian goods. And finally, that we should form an organization that will direct or seek a joint marketing effort, in case it is necessary to sell abroad. This is a great step forward, considering that this issue has not yet been clearly defined and that it lies in some gray areas. It will not be clearly defined until we have the legal instruments and the associations that are required.

[Riquelme] What support did you find for your ideas?

[Cardoen] More than I expected. It was gratifying, for example, to hear Minister Ominami express the government's favorable position on this matter, to the effect that this activity should be duly regulated and controlled, and that it should exist. I believe that no country should abandon the possibility of manufacturing armament. Moreover, all firms that are in a position to manufacture defense products are profoundly concerned about the fact that hegemonic countries such as the United States are now the leading manufacturers of weaponry in the world, and they are in the process of dismantling the Latin American defense industry. They already eliminated the Brazilian and Argentine defense industries, and we are witnessing a major effort on the part of the U.S. Government to eliminate my defense industry, which has practically been reduced to a bare minimum.

Controversial Helicopter

[Riquelme] Does the impoundment of your prototype helicopter by the U.S. customs authorities have anything to do with your assertion?

[Cardoen] Obviously. I think the real reasons are the jealousy that U.S. businessmen always feel about our industry, and their attempt to prevent us from developing more advanced technologies. As far as they are concerned, they would rather that we remained producers of raw materials, mired in underdevelopment, without touching areas that they think are their exclusive purview.

[Riquelme] What is the status of that aircraft today?

[Cardoen] It has been adapted so that it can continue functioning as a civilian helicopter, but eventually it will be converted to a military craft. We spent about four years on that project, as well as millions of dollars. Chilean technicians and aeronautical engineers developed this concept. To make it compatible with the strictest standards in aviation, those set forth by the Federal Aeronautical Administration (FAA) of the United States, we went through an American firm. We hired them so that the FAA would control the quality of everything we were doing. American inspectors were hired to follow every step of the project as it was developing. After I flew it here in Chile myself, the helicopter was sent, per the schedule established by the FAA, to the United States to undergo final testing in Texas. To our surprise, after it completed all the tests, after it passed all the tests—and we have certificates here to prove it—we were told that the certificate could not be issued because there were political problems. We wrote to find out what the political problems were all about, and they told us that the U.S. Government thought that this helicopter might be exported to Iraq.

[Riquelme] Is that true?

[Cardoen] No, it is not, but even if it were, there is no connection between a technical problem and a political problem, much less any reason not to issue the technical certificate.

But that is not all. After this happened we began pressuring them to issue us the certificate, and the incredible became the absurd: The U.S. Customs impounded the helicopter because it was considered a military aircraft.

[Riquelme] And?

[Cardoen] The helicopter has no weaponry, no armor. It merely has a different shape than a civilian helicopter does, because we relocated many of the components. For this reason, in the face of this unilateral action, this bullying, we filed a lawsuit in which we are demanding that the helicopter be returned.

[Riquelme] What is the status of that suit?

[Cardoen] The initial reaction was positive; the courts ordered Customs to return the helicopter or to specify a reason for impounding it. Customs has just responded, and now we have filed a civil suit in which we have requested again that the U.S. courts issue a verdict and allow us to retrieve our helicopter.

[Riquelme] How much did it cost to produce?

[Cardoen] About $5 million. But that is not the most important thing. What we are interested in is defending the dignity of our country, the dignity of our industry, the true exercise of liberty. This case is similar to that of the poisoned grapes. I think it is important to set standards or to promote respect for the right of companies in less developed countries to seek a more productive position, a higher position in their quest for technology. Otherwise, I think we will become just one more colony, enslaved by the injustice of this procedure.

Another Onslaught

Last Thursday Carlos Cardoen made the headlines again. One report from the American newspaper THE WALL STREET JOURNAL, which was picked up around the world, stated that he was under investigation for sending U.S. military technology to Iraq. "U.S. investigators believe that Carlos Cardoen headed an international network of arms traffickers" that provided military technology to Iraq.

The Chilean businessman is disturbed by the issue, but he does not avoid discussing it. "The American investigators are wrong. I am not and have not been a trafficker of anything. I am an industrialist who manufactured arms for Iraq, at the same time that the United States and the major powers were selling arms to that country. That is to say, during the war with Iran. When the war ended, I stopped selling arms to that country," he explains.

Carlos Cardoen feels that "it is unfortunate that after a supposed investigation they are covering up the sinister designs of a hegemonic power that is seeking to eliminate any attempt to develop technology or markets that would affect its interests. That is no different from what happened with the grapes, and we will fight to expose them," he declared.

Good-bye, Bank

[Riquelme] Returning to Chile, did the sale of the Banco del Pacifico go through?

[Cardoen] We negotiated with Banesto of Spain for the sale of all shares in the Banco del Pacifico, and we reached a satisfactory agreement a couple of weeks ago. Under the agreement, I will transfer 100 percent of the shares in the bank to Banesto this year. So before the end of the year, it will be completely taken care of.

[Riquelme] Why did you get out of the banking business? Was it not a good business?

[Cardoen] Look, I think that companies in general, businesses in general, are not necessarily something you keep for the rest of your life. I think that to the extent that a business provides incentives, you find it rewarding and you tend to make it grow, to make it what you want. I have my advisers, but I normally make the major decisions myself. There are certain areas which, after you get to know them, you get more pleasure out of them than others. There are also areas that you understand better than others, and there are things that you do better than others. I did not find banking very attractive because it was not professionally rewarding and did not give me much incentive. Moreover, I think a bank

requires very personal supervision. I had no intention of making myself available for that, and besides, the way things were going, as soon as the chance to sell presented itself and I saw that I could do other things with the money, I did it.

[Riquelme] Do you think banking has ceased to be an attractive business?

[Cardoen] I am not putting banking down or saying that it is not an attractive activity. I am saying that it is an area that I did not find rewarding, and I am getting out of it. Life is like that. When you do not feel natural doing something, you do not do it well.

[Riquelme] What do you look for as the most rewarding aspect of a business?

[Cardoen] I like businesses where individuals share things, where there is communication, where the product you create contributes to a better way of doing things. In banking, you have to do what everyone else does. I like to be creative and innovative. In this regard, I believe I am very atypical, because I do things that others do not do. In banking, I found myself doing exactly the same thing as everyone else. And that does not motivate me.

[Riquelme] You invested $24 million in the Banco del Pacifico, $11 million in purchasing 100 percent of the shares and $13 million in expanding the capital. You have just sold it, however, for a much smaller amount. Were you very disappointed that you were unsuccessful in your venture into the banking business?

[Cardoen] This is like playing Monopoly; suddenly a roll of the dice will land you on a bad square.

[Riquelme] But even when people lose at Monopoly, they get kind of mad. Are you not bothered at all?

[Cardoen] It is a little maddening, because I want to be efficient. Of course I like to win, but when I lose I accept responsibility. Although I care about my businesses, I do not mind losing occasionally. You must remember that when you leave this world, you leave all your possessions behind; all you take with you is what you have given. One thing is clear to me: I never expect to go bankrupt, because that means passing on the loss to others. That is very easy. I take responsibility for things. I think it is very important to be able to look in the mirror and shave every morning with a clear conscience. That is why, even if I suffer an occasional loss, I am more concerned about the overall final result.

Investment in Cuba

[Riquelme] You are one of the least conventional businessmen in the country, and one of the pioneers in doing business with Cuba. What motivated you to do that?

[Cardoen] I think that Chile, which is emerging from its position as a raw materials producer, should try to add value to its products. It should sell organization, experience, and intelligence, which is what the developed countries do.

[Riquelme] Specifically, what is the focus of your business dealings in that country?

[Cardoen] Fruit production. Cuba has a citrus industry that is very highly developed in terms of the amount of land that is planted in citrus trees. It has about 50,000 hectares in citrus groves. But the Cubans, accustomed to selling to the socialist countries, had no standards for control or quality, nothing similar to what the West has. The great change in socialist Europe led Cuba to try to export to Western Europe, but it found that its quality levels were so low that its products could not be exported. The country then looked at the Latin American experience, and focused on Chile. It is especially interesting to us to be able to distribute or work with citrus fruits, because Chile has fruit production from November to April; it does not produce the rest of the year, so all of our sales and marketing efforts stop during that period. If we were to add tropical fruit to close the circle, we could sell year round. Thus, on the one hand, we sell experience, and on the other hand, we benefit by exporting citrus fruits from Cuba, with Chilean engineers, Chilean machinery, and boxes made in Chile, and meeting international standards. We have performed miracles in Cuba. In a year and a half we have managed to produce exportable goods that today are competing at the international level with no problems.

[Riquelme] How much fruit are you exporting from Cuba?

[Cardoen] Our first objective was 1.5 million crates of grapefruit, and I think we will see an increase of 500,000 or 1 million crates per year. We would like eventually to add bananas, pineapples, and mangoes, all tropical fruits that are not available in Chile and that will allow us to close the circle. That way we will be in the same position as foreign businesses that handle Chilean fruit, because they have the power to organize well, since they market all year round with fruit from other countries. I think we must free ourselves from the pettiness that divides us as human beings. We have been very well received in Cuba, and we are working without problems, showing the Cubans how to work with the fruit. It is an experience that other Chilean industrialists are seeking as well, and I hope it will be repeated many times.

[Riquelme] Is that what you would call a business without borders?

[Cardoen] Exactly, because we are no longer selling just mineral ore or copper, which the more developed countries would prefer that we confine ourselves to; we are adding intelligence in the sectors and activities where we have expertise, because we are good at producing fruit.

[Riquelme] Is there any other project similar to the Cuban one in some other country in the region?

[Cardoen] Yes, we are in the process of advising Venezuela on mango plantations. Although we are not specialists in that type of fruit, we are specialists in irrigation, cultivation, ground preparation, and all aspects of fruit production.

But not everything is fruit. Carlos Cardoen has just formed a partnership through Petromin with the Belgian firm Magoteaux to produce a new technology in grinding balls for minerals. His investments will amount to more than $20 million this year, and he claims he is in the process of consolidating his businesses: GMT, T y F, Tecnologia y Fabricaciones; Petromin Limitada, Industrias Cardoen, Alum Car, Las Araucarias, Hotel Galerias, Compania Chilena de Fosforos, Mincar, Aeromet, and Explomin S.A.

Industrial Production, Sales Increase

PY1512230291 Santiago EL MERCURIO in Spanish 3 Dec 91 pp B1, B12

[Summary] Industrial Development Association President Hernan Briones reported that industrial production increased 1.6 percent during the January-October period this year while industrial sales increased 4.9 percent in the same period.

Diplomatic Ties Established With Lithuania, Laos

PY1612162291 Santiago EL MERCURIO in Spanish 7 Dec 91 p C7

[Text] Chile has reestablished diplomatic relations—at the level of concurrent ambassador—with Lithuania, one of the three Baltic republics that gained independence from the Soviet Union.

The ceremony was held at the office of the permanent Chilean mission to the United Nations in New York, where the representatives of the two governments signed a "Joint Declaration on the Reestablishment of Diplomatic Relations between Chile and Lithuania," at the level of concurrent ambassadors.

Relations With Laos

In addition, the Foreign Ministry yesterday reported that officials from Chile and the Democratic Republic of Laos have signed a joint declaration by which they agreed to resume diplomatic relations.

The Democratic Republic of Laos is a mountainous country between the coastal plains of Vietnam and the great plains of Thailand.

Colombia

Military Reminded of 'Hierarchical Subordination'

PA1412012291 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 13 Dec 91

[Text] At the end of every year, as is customary, the police and the Armed Forces hold promotion ceremonies for their generals. The first ceremony took place at the General Santander School. President Gaviria awarded decorations and promotions to high-ranking National Police members. In addition, the president announced over 57 billion pesos will be invested in the institution and reported on the draft statute that will be presented to congress.

Immediately following this ceremony, a similar one was held in the Jose Maria Cordoba Military Cadet School. In one of the most important ceremonies for officers, the promotion of generals, the president reminded the Armed Forces of the principle of hierarchical subordination and the parameters of military responsibility in a speech that sounded like scolding.

[Begin Gaviria recording] Military responsibility does not depend on the investiture of rank. Both are based on the defense of constitutional order and compliance with the principle of hierarchical subordination. The first, requires the knowledge and certainty of the institutional mission of the public force; the second, requires the exercise of fair and brave authority toward subordinates. It is enormously important to understand these principles because it is a military career ethic. The exercise of authority is crucial provided it does not mean a monopoly of decisions by one person or entity; it requires firmness, but also unselfishness to listen to the community. [end recording]

The president's speech seemed like a reply to statements given days ago by General Luis Eduardo Roca, commander of the Military Forces, blaming former President Belisario Betancur for the fatal outcome of the Palace of Justice takeover.

[Begin Roca recording] If the order was given by the highest rank in the military hierarchy, the Supreme Military Forces Commander, I believe the responsibility falls on those who issued the order and on those who executed it. (end recording)

Moreover, the high-ranking officers were not the only ones scolded. The government announced the creation of an intelligence committee run directly by the president. This committee will define policies and priorities and will serve to evaluate the work of the state security corps. Up to now, these organizations have left much doubt on the way they operate. One case was the Usme judge massacre. One day after the massacre, after the alleged person responsible had been named, the "24 Horas" newscast found a great amount of evidence overlooked by the intelligence organizations.

President Announces Police Budget Increase

PA1612155891 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 13 Dec 91

[Text] Santa Fe de Bogota—President Cesar Gaviria announced that the National Police budget will be increased by $60 million. The head of state said the money obtained through foreign credit will be used to purchase supplies, communication equipment, means of

transportation, and to improve the social services of the members of the institution. He said the government will also allocate 15 billion pesos for the construction of 10,000 houses for policemen and their families.

Massacre of 19 Attributed to Vengeance

PA1612172791 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 14 Dec 91

[Text] Following eight days of exhaustive investigations in Cucuta by Colombian and Venezuelan intelligence organizations, it has been determined that the death of 19 people, whose remains were found in several common graves, resulted from a clash between international drug trafficking groups.

Vengeance on the part of international drug traffickers is said to be the cause of the mass murder of 19 people who were executed and their remains found in eight common graves in Lomitas, Villa del Rosario, on the Colombian-Venezuelan border in Norte de Santander. The incident took place nine days ago. According to the security organizations, 20 million pesos were paid for the killings by a well-organized group of drug traffickers led by Larry Salvador Acuna, who is considered its top leader and is currently serving time in a maximum security prison in Caracas.

[Begin recording of Santander Police Commander Guillermo Ramirez Isaza] We have attributed this incident to differences between criminal groups that have undergone changes. The changes within these money and drug organizations may have prompted vengeance because of internal treason and theft. The incident also could be attributed to the theft of property that had been entrusted to some figurehead. [end recording]

The Colombian connection in this border region was coordinated by attorney Nora Graz Garcia, whose body was among those identified. According to penal records, she had been sentenced to two years in a Spanish penitentiary, which proves her involvement in this illicit activity.

The information gathered so far has been obtained from police records of nine of the 19 victims, some of whom passed as used car dealers to fool the authorities.

Guerrillas Release Two Japanese Engineers

PA1612222191 Paris AFP in Spanish 2112 GMT 16 Dec 91

[Text] Santa Fe de Bogota, 16 Dec (AFP)—Two Japanese engineers, Akiyoshi Nakayama and Toshihiro Konishi, who were kidnapped by Colombian guerrillas in August 1991, were released on 16 December, Japanese Ambassador Chihiro Tsukada has reported.

The two Japanese engineers were providing assistance to the state-owned Electric Interconnection Enterprise (ISA) in Colombia when they were kidnapped by the leftist guerrillas of the National Liberation Army (ELN) during an attack on the San Carlos camp in the northwestern Department of Antioquia.

Ecuador

* Leon Roldos Describes Presidential Candidacy

* Opposes 'Statist' Socialism

92SM0135A Quito EL COMERCIO in Spanish 6 Nov 91 p A-3

[Text] The country must have options, and one of them must be a modern socialism that leaves behind orthodox ideas, Leon Roldos, a virtual presidential candidate of the Socialist Party, told this newspaper.

He added that we have the practical examples of Italy and Spain, which under modern socialist governments have made striking progress after being among Europe's poorest countries. Italy under Craxi is among the world's seven major industrialized countries.

"In this sense, the socialism that we are calling for is not statist. We think that wealth has to be redistributed through alternative arrangements in which small and medium business takes part and which also promote the most jobs for the work force," Roldos stated.

He said that in order to achieve this, economic growth must be coordinated with social policy. He explained that wealth cannot be distributed by drying up the source of output, nor can concentrated economic growth be allowed without addressing the poverty of other segments of society.

"Efficient but timely government is indispensable. Thus, we contend that a government must govern from the very first day. The president of the republic is not a watchdog. This is what the comptroller's office and Congress are for. Nor is he is judge. This is what the Judiciary is for."

Leon Roldos commented that the chief of state is an administrator because "a country must be run every day; this way there will be continuity in the projects and services that are considered appropriate for the country."

He also cautioned that we must not look back, emphasizing that if the passage from the Bible were to come true in Ecuador, we would be full of pillars of salt.

"We think that we are the alternative in the country, because with all due respect to others, the other candidates are not alternatives. They differ only in minor personality traits. The proof is that Duran Ballen and Nebot campaigned together until 1990."

The former vice president of the republic said that in this sense socialism is proposing new things to the country. For example, "we are not going to enlarge Ecuador's bureaucracy. We are going to respect stability, but while aiming for efficiency. That is what I did when I ran the

Guayaquil city government with Assad Bucaram and when I was in Conade [National Council for Development] as vice president."

He pointed out that not one single employee was added to the payroll and that only essential vacancies were filled. "This made us different from the administration of Febres Cordero, including the period when Dahik was president of the Monetary Board and finance minister, when more than 2,000 posts were created in the Central Bank," he argued.

He explained that in the area of investment, there would be no purchases of land, a characteristic of the Housing Board and Social Security in recent years. "Not one more square meter of land ought to be bought in this country. We have to develop the land that is already there, but above all we have to promote construction by businesses in the private sector under low-cost housing programs."

Leon Roldos asserted that the funds which the Housing Bank loans directly to borrowers must be for the purpose of improving the housing conditions of low-income groups under self-help construction programs supervised by the Housing Board.

Over the past 10 years, he said, tens of millions of sucres have been locked into purchases of land that has not been developed and, therefore, has zero financial and social profitability.

[Box, p A-3]

Social Security, a Different Approach

Leon Roldos Aguilera also came out in favor of reforming the structure of Social Security in Ecuador. In this regard, he explained that the program ought to manage a pension fund.

He stated that the contributions to the IESS [Ecuadoran Social Security Institute] are equivalent to a premium on any insurance policy. According to Roldos, a retirement fund ought to be reinstituted so that retirement does not become the gateway to poverty.

He noted that services such as medical care also ought to be decentralized by encouraging the formation of physician cooperatives that, as private practices, can treat IESS affiliates. Workers could enter either the Social Security hospital or a private establishment, which would be paid a fixed amount (depending on the ailment) by Social Security as any other insurance company would.

"In other words, the IESS must be improved and made more efficient; it must not keep on buying land and building things."

"In short, our idea is to promote an entrepreneurial alternative for small and medium-sized businesses and also to guarantee better living conditions for the country's urban and rural workers," Roldos Aguilera said in conclusion.

* 'Nonconformist' Candidacy

92SM0135B Quito HOY in Spanish 10 Nov 91 p 5-A

[Text] His language, his attitude, and his background are not at all similar to those of his colleagues in the Ecuadoran Socialist Party (PSE), representing which he will seek the presidency of the republic.

Leon Roldos is not at all reminiscent of his fellow Socialists who have been leading players in the National Congress. He speaks of efficiency in running the government and does not believe in statism. He says, however, that he is not in favor of privatizations because "if government monopolies are bad, private ones are worse." Leon Roldos has never been involved in spectacular political scandals, but his measured voice has always been heard in the country's political and economic debates.

Roldos and Others

The PSE presidential candidate says that his candidacy is the only nonconformist one across the country's political spectrum. Therefore, he feels that it is not only valid but necessary. During his visit to HOY he said that he is the only candidate who is opposed to current conditions in the nation. As a result, he is of the opinion that although Jaime Nebot seemingly represents an antigovernment approach, he too is jointly to blame for the way things are. He says that Sixto Duran Ballen is somewhat similar because his former ruling party governed Ecuador disastrously. "If Nebot does not get into the second round and Sixto does, I bet that Duran Ballen's next press conference will take place in Nebot's office," the country's former vice president said with a smile.

Analyzing Duran Ballen's candidacy, he again questioned his allegedly antiestablishment attitude. "Sixto has nothing to offer, and Dahik does," he said, adding that it was when the candidate for vice president, Alberto Dahik, was in charge of the country's economic policy that the government expanded unilaterally and thousands of new employees joined the Central Bank, a development that is totally inconsistent with Dahik's ideas. Roldos maintained that Duran Ballen's presence is almost symbolic because the person who will run the country, if Duran Ballen wins the election, will be Dahik, the only one on the ticket with his own political program.

Bucaram, in contrast, appears to Roldos to be the "candidate of the underground sector [of the economy] but one who lapses from nonconformism into vulgarity." Therefore, he told HOY, "my presence is needed to take support away from a dangerous platform like Bucaram's."

Against this backdrop, Baca is the other potential nonconformist choice. "Baca could be the other nonconformist candidate, but he is coming from the administration now in power, and it is highly unlikely that his position has credibility," Roldos told HOY. He also questioned the support that the candidate of the Democratic Left may receive from the other center-left parties, since he said that they are "nothing but letterheads."

This is where he comes in. He is a national figure, unlike the others, who are more regional. Above all, he is the only one who is opposed to the regime and to prevailing conditions. He contends that he has been successful as an administrator not only in the private sector but also in government. "I once told Dahik in jest that he could be a Nobel-prize winning economist in the United States but that in Ecuador every company that he has run has had to shut its doors."

Roldos thus sees himself as a successful administrator who feels that the country has to be governed and administered every day, in contrast to what this regime, he contended, has done.

During his visit to HOY Roldos stressed that his government program is based on efficiency. In other words, although he defends neither statism nor privatization, he thinks that if the government is run efficiently, the country can be hopeful about its future. "It is a viable program for the Ecuador of today," says the Socialist candidate, who has nonetheless not announced a major revolution, as his party's other candidates have.

He also contended that the banking system must maintain its ties with the Central Bank of Ecuador, in contrast to what the government is currently trying to do. The reason, according to Roldos, is that guidelines must be set for lending because credit will become increasingly tight and concentrated in the hands of the few. He is, however, an advocate of controlling the money supply, asserting that it is a crime not to control the cost of money.

Paraguay

Rodriguez Back From Mercosur Summit in Brasilia

PY1812011291 Asuncion Cerro Cora Sistema Nacional de Television Network in Spanish 2310 GMT 17 Dec 91

[Excerpt] After attending the first summit of the Common Market of the South—Mercosur—in Brasilia, President Andres Rodriguez returned to our country this afternoon. [passage omitted]

Deputies Pass National, Foreign Investments Law

PY0712142891 Asuncion ABC COLOR in Spanish 7 Dec 91 p 2

[Text] In an extraordinary session held on 6 December, the Chamber of Deputies unanimously approved a law establishing equal guarantees for national and foreign capital. The document, which was submitted by Jose Antonio Moreno Ruffinelli, the chamber's president, acknowledges the competence of courts of international arbitration in cases of conflict with foreign investors.

Several deputies spoke during the 6 December session to express their approval of the bill being debated. The bill had already been approved by the Economic and Financial Affairs and the Industry and Commerce Committees.

In its first article, the document indicates that its objective is to "endorse and guarantee national and foreign investment within the framework of total equality in order to promote Paraguay's economic and social development."

Article Nine indicates that "national and foreign investors and state organizations, including autarkic organizations and public institutions, that sign contracts with foreign investors can agree to submit their disagreements to national and international courts of arbitration in accordance with the pertinent national and international rules and regulations." [sentence as published]

This article presumably coincides with one of the recommendations made by U.S. Ambassador Jon Glassman, who had made suggestions about the future investment law during a visit he made to Congress.

Moreno Ruffinelli did not preside over the session while his bill was being debated, but he did participate in the debate itself.

He said that "it is absolutely necessary to put national capital on the same level as foreign investment. We must not leave national capital out in the cold."

Congress has ratified several agreements that have been signed with other countries. These agreements establish special rules and regulations for foreign investors, and with the new law these rules and regulations will apply to Paraguayans.

The law has now been sent to the Senate for its approval.

The Chamber of Deputies also approved the law that modifies and extends Law 772/79, the Capital Market Law, and it creates the National Securities Commission, thus accepting modifications that had been introduced by the Senate. The document has been sent to the executive branch for promulgation.

Central Bank Reports 42 Percent Trade Deficit

PY1712171291 Asuncion NOTICIAS in Spanish 17 Dec 91 p 11

[Summary] The Central Bank has reported that the trade deficit between January and November 1991 is $505.4 million, representing a reduction of approximately 42.1 percent. Exports during November reached $694.3 million and imports totalled $1.199 billion. This is a large deficit compared to the surplus of $136.1 million recorded in the same period last year. The drop in exports compared to last year are: wheat 100 percent, meat 61.6 percent, soybean 41.2 percent, coffee 67 percent, and mate 67.4 percent.

Former Air Force Chief Placed Under Arrest

PY1212152691 Asuncion ABC COLOR in Spanish 12 Dec 91 p 2

[Excerpt] General Dionisio Cabello Amarilla, retired, former commander of the Paraguayan Air Force has been placed under disciplinary arrest for 90 days and, contrary to initial speculation, will not have to appear before a military court. Carmen Gomez de Cabello, wife of the retired officer, released this information yesterday.

Despite our efforts, Presidential General Anibal Regis Romero, [title as published] chief of the presidential military household, did not confirm Mrs. Cabello's information. Our many telephone calls to Gen. Romero to discuss the subject were unsuccessful.

Carmen Gomez de Cabello stated that her husband was notified of his 90-day disciplinary arrest on 9 December. "It seems that he will not have to face a military court because the notice says nothing at all about it," she said.

Mrs. Cabello added that the order placing her husband under arrest was signed by Armed Forces Commander in Chief, General Andres Rodriguez.

Gen. Cabello has been under arrest at the General Staff building since 20 November and only relatives are allowed to see him. [passage omitted]

Peru

Shining Path Kills Air Force General, Civilians

PA1812011391 Madrid EFE in Spanish 0024 GMT 18 Dec 91

[Text] Lima, 17 Dec (EFE)—A Peruvian Air Force general and four civilians were gunned down by the terrorist gang Shining Path in separate incidents in the Departments of Lima, Ayacucho, and Cuzco, official sources reported 17 December.

General Juan Olivera and two unidentified companions were killed in the Lima province of Huaura, a military communique reported. Olivera, a high-ranking officer in the Peruvian Armed Forces' Joint Command, and two men who were with him, apparently his bodyguards, had been reported missing on 16 December.

In Ayacucho, two Shining Path members shot to death a photographer, who was an Army civilian employee, and a former government official as the two were on their way to work in the city's center.

The Armed Forces reported 17 December that three Shining Path members were killed on 13 and 15 December during clashes with Army patrols in Convencion Province, Cuzco Department, in the southern Andes area.

According to Peruvian Senate statistics, approximately 23,000 people have been killed in Peru since violence broke out 11 and ½ years ago. Damage is estimated at approximately $20 billion.

Activities of National Military Industry Reported

PY1612224091 Lima EXPRESO in Spanish 8 Dec 91 p 8

[Excerpts] Indumil-Peru [Military Industries of Peru] was created on 27 November 1973, which is a historic date because Peruvians celebrate the Battle of Tarapaca and Army Infantry Day. Indumil-Peru has a large production complex, which through the years has strengthened its industrial activities at the competitive national and international level.

Indumil-Peru, however, actually began its activities long before that. In the 40's it already had a pharmaceutical laboratory, and a shoe and clothing industry. Its name was Cinco Mil and its production was only for military personnel.

This enterprise produces and markets goods and services for the national defense, preferably for the Army, and also to cover the needs of other Armed Forces institutes and the police. Its objective is to contribute to the country's socioeconomic development to ensure a high level of political and economic autonomy.

More than 2,000 Peruvians work for this enterprise, which has become an important pillar for national development and the training of professionals and technicians in high-level industrial centers in Peru and abroad to guarantee the quality of its products. [passage omitted]

Indumil-Peru currently has eight factories and two service organizations such as tanneries and laundries. [passage omitted]

The Army Ammunition Factory (Fame) is an important industry for national defense and security. Its goal is to produce ammunition and military gear for the Army and other military and police institutions. In addition to war ammunition, the factory also produces ammunition for hunting and sports, bombs for tanks, mortars, grenades, explosives, tear gas, and fuses. The factory meets the national demand. [passage omitted]

The Army Telecommunications Equipment Factory, Fete, was created in 1975. Modern and sophisticated machinery and equipment was purchased for the factory. This was necessary for the high-quality assembly of communications equipment for the Army, police institutes, and the private market.

Due to its high technology and large facilities, the factory can make radio communications equipment for the following frequencies:
HF: AM, SSB
VHF: AM, FM
VHF: rural telephone

It also makes audio equipment such as amplifiers of up to 110 watts, radio receivers, recorders, turntables; and interconnection systems such as private switchboards, multiline equipment, and field switchboards.

Supreme Court, Superior Court Presidents Named

PA1312180291 Lima Global de Television Network in Spanish 0100 GMT 6 Dec 91

[Text] Dr. Luis Portugal Rondon has been appointed Supreme Court president, and Dr. Lino Roncalla Valdivia has been appointed Lima Superior Court [Corte Superior de Justicia de Lima] president. Both men were appointed on the basis of their seniority in accordance with a new Judicial Branch law establishing this method of succession.

During a full court meeting at 1620 on 6 December, with all Supreme Court members in attendance, Dr. Luis Adolfo Portugal Rondon was appointed president. The court appointed Lino Roncalla Valdivia, the oldest member of the court, as president of the Lima Superior Court. The measure complies with a new Judicial Branch law recently enacted by the Executive Branch that has already been observed by Congress.

During his first meeting with the media, the newly appointed Supreme Court president stated that the new law is excellent because it will accelerate the administration of justice.

[Begin Portugal recording] Throughout the entire country, every time court presidents are elected, all the way from the Supreme Court to the district courts, certain groups are formed. Some groups support one presidential candidate, and some groups support other candidates. What effect does this have on the Judicial Branch? It produces divisions. Why? Because in the past the president was elected by majority vote. The person elected president— I have worked in three different courts and speak from experience—rewarded those who supported his candidacy. The president appointed them to the courts of their choice, while others were sent to courts nobody wanted. This is the truth. The Lima Court has this problem. We are glad to see that the new law allows court presidents to be appointed based on seniority. What are the benefits? The person who is appointed by seniority can learn how the Judicial Branch works. The university does not teach this, not even to law students. Do you believe that the administration of justice would produce what the people want? [end recording]

New Supreme Court President Luis Portugal was questioned today by Senator Enrique Bernales, who accused him of favoring drug trafficker (Persiles Sanchez). Senator Raul Ferrero Costa, however, said that Portugal was investigated but no evidence against him was found.